

**INSIDE: How Liberal MPs use public funds**

# Maclean's

FEBRUARY 13, 1984

CANADA'S WEEKLY NEWSMAGAZINE

\$1.25

## The tax man vs. the people



**Why Ottawa  
insisted on  
cracking down**



## Maclean's

FEBRUARY 13, 1994 VOL. 97 NO. 67

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## COVER

## The tax man vs. the people

As the post office begins coast-to-coast delivery of millions of brown envelopes containing this year's income tax forms, a nationwide controversy over the tax man's tactics in collecting revenues reached a peak. As complaints from taxpayers mounted, the government suddenly found itself entangled in the thorniest issue of the year.

—Page 14

COVER ART BY HET COOK



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## A dose of patronage

Liberal MPs worried about a potentially damaging tax cut week, using government funds—that only Liberal members had access to—for patronage.

—Page 24



## A threat to purity

There is increasing concern that Elwood's pesticide-polluted drinking water may tarnish the state's image as a pristine vacation paradise.

—Page 10



## Budgeting for an election

Most Republicans feel that the \$180-billion budget deficit that Reagan's officials unveiled last week will not hamper the president's reelection campaign.

—Page 22



## Dancing into the future

Kirk Brubaker, the dynamic new artistic director of the National Ballet of Canada, is breathing new life into an institution that had lost its spirit.

—Page 61



## The national furore

Pate was one of the earliest sages to warn about the implications of tax cheating: "When there is an income tax," he wrote in *The Republic*, "the just man will pay more and the unjust less on the same amount of income." The mounting hostility that Canadian taxpayers directed at Revenue Canada last week flowed from a bitter conviction that they not only pay enough but that the tax man is treating them unjustly. There is a sense in the land that the federal government has lost control of its tax collectors—an attitude intensified by the perception that the Liberals are concerned only with two things: Pierre Trudeau's price initiative and their leader's future.



Nichols and Johnson (right)

But—cautiously—the embattled government made so convincing effort to advance its best case that many citizens do seek their books at a time when a cash-strapped government needs revenues to fund programs that people demand.

Working with Co-National Editor Mark Nichols, Senior Writer Robert Miller wrote this week's cover story on the taxpayers' revolt. Miller noted, "Most people are honest. It would be a pity if the emotional heat between the tax man and the people broke down." As Senior Writer Arthur Johnson wrote about his reportorial rambles for his article, he discovered that Revenue Canada is feeling the heat. "I hope this ends soon," one official told Johnson. "It's never been like this before."

Kevin Doyle

Maclean's February 23, 1984

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## A straw man?

I cannot agree with Peter Newman's column of Jan. 16 (*The high cost of free trade*, Business Watch). By surrounding his message with a battery of quotations, including from Abe Reisman to George Ball, he has, I submit, raised the point. He has emboldened some theory with a lot of emotion in order to paint a straw man. Our government is not contemplating full free trade or a nation's union with the United States, as the tabloidists about Canadian sovereignty should be put to rest. We are exploring the possibilities of sectoral arrangements or something new with the United States in order to improve our status in what is not only our best, but also our most obvious market. Such arrangements will translate into jobs for Canadians, more efficient production lines on both sides of the border and a more competitive position for Canada in world markets.

Unlike Reisman, I know that there are sectors of Canadian industry that compete very well internationally and that can benefit from greater specialization and from better-assured access to a larger market. If this were not the case, and if the relevant Canadian industry did not share that confidence, a sectoral arrangement would not get off the ground. Newman ignores the auto pact, which for 30 years has provided several free trade between our countries and which has resulted in the maintenance and growth of one of the largest manufacturing industries in this country. Without sectoral free trade it would have withered. Would the gradual death of this industry—if we



Ford workers: maintenance and growth

had permitted it to happen—someone have increased our sovereignty? I think not.

I also believe very firmly that the sectoral approach may provide some latitude to the pressures for more protectionism, which pose a real threat to our existing stake in U.S. markets. Canada is the only highly industrialized exporting nation that has neither a large domestic market allowing for economies of scale nor preferred access to additional markets by treaty or by GATT/WTO Market arrangements. With some 80 per cent of our GNP related to trade, our standard of living, and ultimately our sovereignty, would be seriously threatened if the world became more protectionist. To retreat into a "Fortress Canada" mentality is no more viable today than it was in the 1930s.

I am convinced that we need to do more with the United States and with other major trading partners in order to ensure our well-being in an increasingly competitive world environment. The sectoral approach is one possible and one that I believe does not conflict with any national assessment of national health. Newman presumes that the status quo will serve us well into the future. He offers no practical alternative. I suspect that he is misunderstanding the need of his country and misjudging the necessity for us to react to change and opportunity in the world economy. Recaps the legacy of the past. Peter, and take a break look at today's options!

—GERALD REGAN  
Minister of International Trade,  
Ottawa

## PASSAGES

**RECENTLY** Supreme Court Chief Justice Brian Dickson, 71, following an operation to remove a cataract on his left eye. Rather than using the new laser technique, Dickson's doctors performed traditional surgery with a scalpel and kept him in Ottawa's Civic Hospital for three weeks.

**WARRIED** Actress Lynda Carter, 35, and Robert Altman, 55, a prominent attorney, in Los Angeles. Carter, best-known for her TV role as Wonder Woman from 1974 to 1977, will marry with Louis Anderson in a new civil service this fall.

**BRIED** Former Vancouver Canucks coach Roger Neilson, 49, as head coach of the Quebec Nordiques last night, Los Angeles Kings, by team owner Jerry Buss. Neilson, fired in Vancouver in Jan. 18, replaced Don Perry, fired by the Kings on Jan. 20. Buss also named former Los Angeles goalie Rogatien Vachon as the team's general manager.

**DEED** Bricktop, 59, the legendary red-haired cabaret queen, soft power and talent of Paris, Mexico City and Rome in New York. Born Ada Beatrice Queen Victoria Louise Virginia Smith, the freckle-faced singer began her career in Chicago saloons, but her neighborhood, all called Bricktop, attracted royalty, writers and fashionable high society. Among Bricktop's protégés were Duke Ellington, Josephine Baker and singer Mabel Mercer.

**DEED** Al Dexter, 58, a country and western singer most famous for his 1943 hit *Postal Pavilion*. Moore, of a heart attack, in Leventine, Tex. Dexter, born Clarence Albert Pendleton, began recording in 1934 and was one of the first artists to use the term "honky tonk" in his hit *Rocky Road Blues*.

**DEED** Frances Goodrich, 93, actress, screenwriter and playwright, of long career, in New York. Goodrich and her husband, Albert Hackett, co-wrote numerous plays and films, including *The Diary of Anne Frank*, which won the Pulitzer Prize in 1955, *Forster of the Bride* and *Pink Finger Shave*.

**ORDERED** Ugolin pharmacologist heir Roger A. Guentlett, 41, to undergo treatment with Depo-Provera, made by Upjohn, to lower his sexual drive after raping his 14-year-old stepdaughter, by County Circuit Judge Robert L. Benson (the third judge in the case), in Kalamazoo. Mich. Guentlett was also recommended to one year in jail and five years' probation and must pay \$25,000 in court costs. Both prosecuting and defence attorneys are appealing the sentence.

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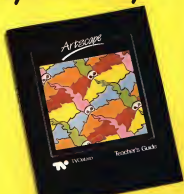
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My hearty congratulations to Peter C. Newman on his *Business Watch* column (The high cost of free trade, Jan. 16). Rarely have I seen what I consider to be the unimpeachable segments against proposals for "free trade" with the United States put more clearly and concisely. That, apparently, the substantial majority of the indigenous Canadian business community continues to pursue this illiberal, self-defeating policy which would unquestionably lead to their speedy commercial demise, with single-minded zeal, I think, one of the most bizarre and fascinating aspects of our nation's economic history. The ongoing spectacle of our business leaders virtually pleading to be spirit away to meet with the blade of a customs union with the United States must vastly exceed our trading neighbors.

—BOB HARVEY,  
Edmonton

Peter C. Newman writes: "The result [of seasonal free trade in the agricultural implements industry] has been a dramatic shift of [Canadian] manufacturing to south of the 49th parallel." Newman should be reminded that most of our manufacturing and our two largest export crises have been, are and will continue to be south of the 49th parallel.

—ERIAN THRELFELTON,  
Oakville, Ont.

The high cost of free trade is an alibi fostered by people who appear incapable of analyzing its effects on the economy as a whole as opposed to looking at just a few industries. The problems Canada faces in reducing tariffs are problems that the tariffs caused in the first place. High tariffs resulted in foreign companies setting up branch-plant operations in Canada instead of selling directly to Canadians. The result is that Canada has a vast array of manufacturing firms that are inefficient, and these plants are incapable of competing on world markets. It is true that removing tariff barriers to trade will result in many of the branch plants shutting down. But there are benefits to that. First, the products that these plants produced will now be imported at lower prices. Second, the removal of these plants will release resources, and, with the lowering of U.S. and other foreign tariffs, the firms that remain will be able to use those resources to become more competitive. The decision Canadian firms to shut themselves out of the free trade is straightforward: we can continue producing inefficient and defunct industries with the resulting costs of lower real incomes and higher unemployment, or we can negotiate lower barriers to trade and have fewer, but more efficient, industries with higher real incomes and more employment.

—KIM BOYDELL,  
Nelson, Ont.

#### Chaotique endures

The review of *Chaotique Grit* (A test full of nonsense, Television, Jan. 9) was certainly true in the spirit of the West. However, may I point out one mistake? In the last paragraph you say "the once widely spread Chaotique movement has now vanished everywhere except on the shore of Lake Chaotique." Chaotique performances are held yearly in connection with the Saskatchewan Blackfoot Festival in the town of Battleford, Sask., and are well attended.

—MYNIE PARKINGTON,  
Battleford, Sask.

#### A fruitful alternative

While your report on the carcinogenic pesticide ethylene dibromide was interesting (Ringing an alarm on EDB, Environment, Jan. 20), it omitted any discussion of proposed alternatives to the use of this fungicide for grains, citrus fruit and other foods. Gamma radiation, from the radioactive isotope cobalt-60, is seen as among the most effective means of fumigation. In that process the food does not become radioactive, although there is considerable controversy about the nutritional and chemical effects of radiation on food. Gamma treatment may be preferable to the highly toxic fumigants. In many other food preservation situations, it is doubtful whether irradiation—which is being actively promoted by the Crown corporation Atomic Energy of Canada Ltd.—is really necessary.

—LINDA E. FINE,  
Thornhill, Ont.

#### Living with an apologist press

I suppose we have to live with apologetic, retrospective press articles by Canadians, but why an unrepentant, typically American piece in a magazine that respects its own journalistic point of view? Why people distrust the press, Column, Jan. 10? Worse still, Fred Beasing was obviously addressing us Canadians as part of the U.S. audience ("Our feelings," "Our country"). Actually, perhaps we should heed his advice when he tells us to "cancel our subscriptions." I liked the piece. Too bad it was not more pertinent.

—JOSEPH BAYTON,  
Doe Mills, Ont.

Editor's note: Madson's has always identified itself as an American magazine, not a Canadian one. We can continue producing inefficient and defunct industries with the resulting costs of lower real incomes and higher unemployment, or we can negotiate lower barriers to trade and have fewer, but more efficient, industries with higher real incomes and more employment.

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## Debating U.S. air safety

When members of the U.S. Professional Air Traffic Controllers' Organization (PATCO) illegally walked off the job on Aug. 3, 1981, President Reagan, in his administration's first serious confrontation with organized labor, promptly ordered the strikers to return to work within 48

hours. Most refused, and during the week that followed the government fired 13,400 of them. Reagan's hard-line but politically popular dismissal action forced the union, which was facing \$150 million in fines, into bankruptcy, and the Federal Labor Relations Authority eventually described it Nov. 26 years

after the PATCO walkout, flight schedules are close to normal at most U.S. airports. Despite the somewhat disproportionate of U.S. air travel, there have been no commercial airline accidents attributable to controller error. Still, although flying on U.S. commercial airlines is 90 times safer than travelling by car, many Americans fear that the skies are unsafe. What is more, those fears have heightened with the expectation that in 1984 there will be a substantial increase in the present 40,000 flights a day in the United States.

Before the strike, PATCO had claimed that its 16,000 controllers were working under "appalling" conditions and were suffering from "nerve-racking fatigue, stress and tension." Warning that air travel was becoming unsafe, the union asked for shorter hours and a \$10,000-a-year salary increase for its members who were already earning an average of \$33,000 a year. The government refused. Robert Felt, president of PATCO, instructed his membership to walk out. The union had hoped that the longer the strike, the greater the pressure in the air traffic control towers. But that strategy did not work. The strike effectively ended in one week. Along with 5,000 controllers, 2,000 supervisors and 850 military controllers manned the radar rooms. The Federal Aviation Administration (FAA) placed strict controls on traffic flow. It ordered a 50- to 75-per-cent reduction in takeoffs and landings at peak hours and it limited access to major airports by private planes.

Since then, the FAA has hired and trained about 6,000 new controllers, bringing the total force up to 13,000. Although that is 3,000 fewer than the prestrike figure, the FAA does not intend to increase the number. Explained Raymond Van Vleet, associate administrator of air traffic for the FAA, "We have enough. Before the strike we had all kinds of people sitting around twiddling their thumbs." Within the past few weeks the FAA has lifted restrictions imposed as a result of the strike at all U.S. airports except at four exceptionally busy locations: New York's La Guardia, Chicago's O'Hare, Denver's Stapleton and Los Angeles International, where traffic remains restricted to about 95 per cent of prestrike usage. The FAA expects that these airports will be back to normal by the spring, although special rules will apply to Los Angeles International during the summer Olympics.

Some airline industry experts believe that the FAA has moved too far and too quickly in lifting restrictions. They say of every three controllers there have been less than two years on-the-job experience—and at a time when congestion was controlled by regulation. What is more, in-

dustry critics contend that 1,300 senior controllers and supervisors—about one-sixth of the total number of radar-certified people needed for a fully functioning system—will be eligible for retirement this year. Another 400 will reach that point by the end of 1983. To encourage these controllers to remain, Congress in the spring of 1982 approved a 31-per-cent raise as a special incentive for them. Almost all have agreed to stay on, despite their complaints about the long hours that they must spend training newcomers.

Last March the National Transportation Safety Board completed a major study on the controllers. Its report recommended that the FAA delay the lifting of restrictions on airline traffic, noting concern that the new controllers are not experienced enough. But retired FAA administrator J. Lynn Helms rejected the board's recommendations. He declared that the system is now "capable of handling 100 per cent of the number of flights that it handled before the strike." According to FAA spokesman Fred Farmer, a good barometer of safety is the incidence of near-miss collisions, which in 1983 decreased to 240 from 345 in 1982.

Matthew Finnegan, until last month the executive director of Ralph Nader's Organized Aviation Consumer Action Project, questions the safety of the new system. He claims that in many towers controllers are handling more traffic than they were before the strike and that there are only half the number of fully qualified people. However, Farmer insists that the air traffic control system is as safe now as it was before the strike. Said Farmer, "Throughout this experience, safety has been our prime consideration." Adiel John Ikoo, chief of the Chicago Air Corps, "The new controllers are coming along very well."

Finnegan says that because the United States is coming out of its recession, more people will likely travel by air this year. With two major political party conventions—the Republican in Dallas in August and the Democrats in San Francisco in July, the July Olympics in Los Angeles and the presidential election in the fall, 1984 might be the busiest year for air travel in U.S. history. Charged Finnegan, "It is a safety vs. an economic tradeoff. One of the reasons Helms lifted the restrictions is so that the airlines can schedule as many flights as they want."

But Farmer decried the revised system. "Our safety record has not just been a matter of luck," he declared. Many airline pilots support the FAA's position. Said Capt. Robert Sperry, a Pan Am pilot, "It is smoother than ever."

—WILLIAM LOWMYER in Washington

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looking after their interests, many agribusiness have phoned out plantations on the Hawaiian islands over the past 30 years. Companies in search of lower production costs and operations closer to their markets have opened up new plantations in such Third World countries as the Philippines and Honduras.

The burgeoning pesticide controversy has not lessened the state's support for the plantations that remain. While the EPA moved in 1978 to stop the use of the highly toxic DBCP as a soil fumigant, Hawaii's Democratic governor, George Ariyoshi, sought and won an exemption for his state. The EPA also banned the use of ethylene dibromide (EDB) as a soil fumigant in September, 1988, but the pineapple and papaya growers are appealing that ruling. Few people believe that the state will impose stricter controls on the use of chemical pesticides. Last September, Honolulu's daily Star Bulletin published a cartoon that depicted a giant hand, labelled "pineapple growers," spraying an aerosol can bearing the likeness of the governor. He was saying, "There is no proof that the corn is getting groundwater contaminated from the DBCP we used."

Meanwhile, Millard residents, worried about the contaminants they may already have ingested, are angry at the state health department for what they charge was the deliberate withholding

of crucial information. The questions are now how quickly it is cleaned up and who is going to pay for it. According to the state department of land and natural resources, building filtration plants or finding new water sources could cost up to \$15 million and take five years.

Because many Millardis now distrust their government, they have taken matters into their own hands. In December a group of eight residents representing 30,000 filed a suit in U.S. federal district court in Honolulu against five chemical manufacturers: Shell, Dow Chemical, Occidental (formerly Hooker Chemical Co.), Great Lakes and MVRAC, against two pesticide users, Del Monte and Libby, and against Industrial Biotech, the laboratory responsible for testing the safety of the chemicals. The suit asks for \$1 billion in compensation, cleanup costs and punitive damages. According to Gary Galtier, the resident lawyer, the suit is basically a product liability action against the manufacturers of the pesticides and their users. The residents maintain that both the manufacturers and the users know the pesticides might seep into the groundwater but that they did not bother to inform anyone of that possibility. Said Galtier: "The people are just wringing their hands in frustration because of the ineptness of our local government in dealing with the problem. At the same

time, we have a pineapple industry that has poisoned one of the finest aquifers in the world."

The conflict between tourism and agriculture is unlikely to reach a quick conclusion. Ideally, the state would like to encourage peaceful coexistence between its traditional plantation economy and its more recent tourism industry, but the islands may be too small to sustain both indefinitely. According to Democratic state Senator Anthony Chang, only the tourist industry is industrial enough to force the state to take environmental problems seriously. He said that policymakers will have to accept the fact that the purity of the water supply is more important than the revenue from agribusiness and that tourism is now the number 1 industry in Hawaii. Reed Chang, "Tourists need to drink water that is at least as pure as the water they have at home. The tourist industry will have to get involved and ensure that it is not jeopardized."

That involvement may begin soon because a growing number of alarmed and angry residents is considering taking their cases to court. They contend that lawsuits exacting the price for polluting an island paradise and that communities such as Millard should not have to continue to pick up the tab.

—DENISE CHERRY and ANGELA GIBSON in Honolulu



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## COLUMB

## Treating moviegoers like morons



By Fred Bruning

In these frigid months a Saturday night link to the movies can assume singular importance—a kind of American survival routine underlain in the belief that shared experience is vital to a hybrid culture and, moreover, that a person is dying an early death if he too often surrenders to the loutish aghes and TV latencies. There is a peculiar satisfaction in the persistence of it all, in having my klan in the ticket-booths and then the ticket-toblers' line, huddling in the drafty auditorium, straining to hear over the brumal back and snore of those who might better have spent the evening swallowing megadons of ginseng.

It is with a heightened sense of expectancy, then, perhaps even with increased intellectual awareness (although that might be going too far), that the patron watches the screen brighten and settle back on the treadle conchoidal cushion. Leadster is stationed here and there at the familiar run of gaudy profaneisms—animated commercials hawking candy and Coca, a plug for a motel in Fort Lauderdale, a musical production about muskrat—and then a semblance of quiet ensues as the salient moment arrives. The feature presentation, at last.

Let us not underestimate the importance of this enterprise. The movie house is perhaps the most intimate setting for the American experience, especially if management has set the thermostat on a mark below freezing. Here we sit in a hall with a few hundred persons much like ourselves and, as death, much different as well, each looking for a hint as to who we are and what, together, we will become. People don't say such things, of course, unless they happen to live on the east side of Manhattan and have careers in cultural anthropology. Most of those who would survive among the hypothermic darkness with a crowd of strangers than stay at home tending their automatic popcorn machines are wary of analytical chatter and their level criticism. They want only to trust what they see on the screen. It's not asking too much.

And yet how often we are disappointed. We are awash in cinematic soda pop at the moment. If it's not a movie about a teenage hooker or a homicidal automobile or extraterrestrial disco-dancing, it's yet another attempt to portray the shadowed emotions of some gaudy man or woman recently dis-

covered and wondering who will get somebody of the bathtub-black furniture.

But while movies that are foolish, inept or irrelevant may be considered only rudiments of sorts, those with duplications sometimes carry the weight of folly. To lure us into theaters, dim the lights and roll a slick pace of goods before our eyes in the belief that Americans are savvy enough to believe just about anything—that, friends, cannot easily be forgiven.

A vivid, well-reviewed, Bart Reykash effort, *The Man Who Loved Women*, does little damage, for instance, because one tends to forget most of the film as the drive home. So this stripping, playboy scamp can't settle down with any of the several remarkable women he encounters and, thoroughly distressed, surrenders himself to a psychiatrist played by John Andrews, who, soon enough, surrenders himself to him. Big deal. Pass the

***'We are now awash in cinematic soda pop—in movies about teenage hookers and homicidal automobiles'***

business, if you don't mind.

Make a problem for the devoted thespian in the sort of production teeming with inept and inept in part of view with the delicacy of a machine for splitting logs. Among the most jarring of these productions is something called the docudrama, an often indistinguishable farang of fact and editorial comment. A couple of years ago, the Greek director Costa-Gavras brought forth a film called *Misus*, taking the United States with the 1933 coup in Chile. Be smoothly did Murray when over the past couple of years we might have thought Costa-Gavras was choreographing the *Ins Capades*—a style the film-maker steadily defends. "A film is not a court," he told a reporter. "I can't go into secondary details. . . . Don't ask a director to be a political technician."

This recent another movie, *Silverwood*, demonstrates aptness of the proportions and, in fact, very nearly delivers a murder indictment. Directed by Mike Nichols, the film advertises itself as the real-life saga of Karen Silkwood, a worker in a plutonium processing plant outside Oklahoma City who

clashed with her employer over safety regulations, suffered radioactive contamination and died in an auto wreck while on her way to meet a newspaper reporter. The story has plenty of drama and intrigue, but, amazingly, it is hardly the lead the audience is believe that Silkwood was fared into the fatal mishap, most likely by agents of her employer, the Kerr-McGee Corp. Evidently of little concern is that back in the real world changes have been filed against

This kind of Justice Christensen detective work might make for fine conversations at Malibu cocktail parties but what is it doing up there on the screen? Many Americans are inclined to believe the United States does media dangerous in Chile. Many have read about last safety practices at the Kerr-McGee plant and suspect the company was vindictive in its dealings with a spunky reformer who enjoyed giving management fits. But reader? Without anyone being asked? Profoundly so, much as Costa-Gavras and Nichols must fear that without their expert assistance we will suffer a diminished capacity for remaining right on. They must assume the general public cannot adequately absorb information and tempo rational. Overconfidence. They don't trust us to think. And yet there are movie-makers of principle who have kept faith with the audience, directors whose work does not have the feel of a teach-in sponsored by the local chapter of Youth Against War and Poverty. Woody Allen, Mike Foss, Mel Brooks, Francis Ford Coppola, Henry Pithall. Even a big back, highlight, mass-market undertaking like *The Badli Sing* makes a more persuasive statement about government dishonesty and corporate greed than either of the movies in question.

Certainly, it is appropriate that artists call the mass-spirited and expose quality, that they chortle affinal mischief and mine unimpaired questions, but the project must be undertaken in co-operation with filmaker's silent partners—the people in the seats. Allow us a thought or two on a winter's night, then, fellows. Don't dress up hypothermia as truth. Tell the story as it really is, though the only ones equipped to deal with life's "secondary details." We paid our five bucks. Give us all we have coming.

Fred Bruning is a writer with *Newsday* in New York.

# THE TAX MAN VS. THE PEOPLE

By Robert Miller

**I**t was a bad week for the tax man. In Langley, B.C., 300 people gathered in a school auditorium for an information session with Revenue Canada officials, but the meeting quickly turned into an angry shouting match as the audience denounced the tax collectors for their icy pursuit of unpaid taxes—even to the point of seizing money from a 4-year-old child's savings account.

Earlier in the week a parliamentary uproar forced Revenue Minister Pierre Boudrias to withdraw a film that cast his department as a virtual Big Brother in the lives of all taxpayers. Then, in a slipup that only added smalt to injury and produced further protests, Revenue Canada published the names of 107 Canadians prosecuted during a two-month period for tax evasion—and included the names of a dozen people who had been proved innocent of any wrongdoing.

The long-simmering warlike over Revenue Canada and its increasingly aggressive approach to tax collection intensified just as the post office began delivery of millions of brown envelopes containing the 1988 income tax forms. Spurred by a resurround of complaints from angry taxpayers and confident that they had found a major vice winner, the Opposition Progressive Conservative government, but did not get, the resignation of the beleaguered Boudrias. At the same time, the Tories announced that five members of their caucus would soon take the country starting next month to hear the mounting chorus of complaints from con-

cerned organizations, professionals and individual taxpayers. Said Tory Leader Brian Mulroney: "The government's continued slowmoving as Revenue Canada's abuse of Canadian taxpayers leaves us alternative."

For Boudrias, a quiet, 44-year-old former teacher who reads philosophy in his spare time, it was another difficult week at the head of a department that this year will process roughly 36 million tax returns, collect

more than \$55 billion and seek to recover a further \$3.5 billion in unpaid taxes. Boudrias rejected Opposition demands for a parliamentary inquiry into Revenue Canada's policies and its swamping and controversial powers (page 20). And he angrily dismissed a call for his own resignation from Chris Speyer (PC, Cambridge), the Tory consumer affairs critic who initiated the tax collection debate last November. At the time Speyer charged that Revenue Canada agents in Kitchener, Ont., were assigned collection quotas by their district manager (page 20). Boudrias initially denied the allegation but later he confirmed it. Last week Boudrias said, "I am resolved to stay with the challenge and we have mastered it."

To that end, Boudrias was forced to continue to beat an orderly retreat in the face of a sustained Tory attack. He ordered Revenue Canada's controversial film withdrawn from circulation. He said the film, produced by the National Film Board (NFB), created a negative impression and added worry. "One could judge that maybe it was not the best timing," Boudrias then established an internal Revenue Canada task



Computing income tax at Revenue Canada's Ottawa Boudrias (left). Ottawa's icy pursuit of unpaid taxes, calls for resignation and an orderly retreat in the face of attack

force to review and revise the department's public relations program. And he apologized to those Canadians aggrieved by tax evasions who had been embarrassed in the Revenue Canada news release. Tory Revenue critic Ferni Boudrias, who will chair his party's travelling task force, welcomed the apology: he had denounced the news release as "one more shot to damage critics."

**Harassment:** While the politicians feuded, the department's senior bureaucrats, led by Deputy Minister Bruce MacDonald, warned that the abnormal publicity might endanger the department's ability to collect the money the law requires, and the government needs. Said MacDonald: "Everybody talks about harassing taxpayers, but there is a feeling in the department now that we are being harassed."

The prospects of a prolonged controversy and the inflammatory rhetoric caused some private sector concerns that Canada's largely successful tax system—which is, technically, a "voluntary" one—would suffer severe damage. The accountants and lawyers, who earn their living as Revenue Canada adver-

saries, feared an erosion of trust between the taxpayer and the tax man. Toronto lawyer David Neikens, author of a 1988 paper for the Canadian Tax Foundation which dealt with increased aggressiveness in Revenue Canada's prosecution policies, declared: "The whole system could break down. For one thing, it could get clogged with litigation and appeals against assessments."

The wide-ranging allegations against Revenue Canada, and the growing evidence of public dissatisfaction, suggested that the system is already under severe pressure. Among the major complaints that the government either denied or attempted to explain away:

- That the cash-short Trudeau government, facing a deficit of more than \$30 billion, ordered the department to get tough and gather more money. Boudrias and MacDonald flatly denied that charge.

- That Revenue Canada's auditors had arbitrarily rejected legitimate tax deductions and made unreasonable demands for documentation to support claims. Department officials replied

that they were simply going by the book.

- That tax collectors had refused to allow people a reasonable amount of time to settle delinquent accounts. Boudrias cited department regulations that provide for a written demand followed in 30 days by a final demand for payment within the next 30 days.

- That tax processors deliberately put incomplete or erroneous returns into the system in order to maintain departmental production minimums. Revenue officials denied the allegations but conceded that, despite an increased workload, the department's 30,000-member staff had not increased and that overworked staffers tended to make mistakes.

Other criticisms of Revenue Canada ranged from instances of referees by department personnel in dealing with taxpayers—MacDonald last month appeared in Revenue Canada staff to be more polite—to the alleged selection of "target groups" of taxpayers for special scrutiny. The groups apparently have included self-employed artists and writers, two who have complained pub-

licly are Vancouver painter Tom Olney and writer Phyllis Greenkorth of Toronto. While Revenue Canada denied that special groups were targeted, officials admitted that new computers made the department more efficient at pinpointing problem areas.

**Lying:** Despite the denials and explanations, Revenue Canada's new aggressiveness left many taxpayers—especially small business owners and farmers—upset. According to Boudrias, it "seems everyone has a national Revenue horror story" and more and more Canadians were willing to discuss their tax problems—sneaking, as Boudrias noted, that Canadians have not normally done in the past. As specific complaints from citizens appeared in the media, the department stuck to the regulation that prohibits it from discussing individual names. But the taxpayers' tales of woe continued to mount. In Cochrane, Alta., Hubert and Angela Paschke complained that they had spent eight years trying without success to untangle a Revenue Canada mistake that required them to pay a \$1,000 tax bill twice. Iles Ben-Tzvi, a 31-year employee of the



Vancouver artist Onley; Montreal waitress Liede Richard, special scrutiny



## COVER

public service, said that he had been made to feel like a "floating, lying taxpayer" by Revenue Canada auditors who challenged his claim that he was helping to support his aged parents in Pakistan. Eventually, Ben-Talbar won his claim and received a letter of apology from the department. And retired musician Ian Robert McCow was bitter because he was obliged to leave his dream farm near Brighton, Ont., after Revenue Canada auditors disallowed his loss claims and demanded payment of \$11,660 in back taxes, guaranteed each of his \$5,500-a-month disability pension and backed off only when McCow appealed successfully to the Tax Review Board.

**Tougher** Canadians' readiness to challenge Revenue Canada's claims increased sharply last year. The latest available figures show that 45,800 taxpayers filed objections to assessments in the 18-month period prior to March, 1988, up from 39,300 in the same period a year earlier. The numbers, said tax lawyer Nathanson, showed that Revenue Canada was indeed being tougher on taxpayers. But the efforts have not been entirely successful. Revenue Canada last year lost four out of every five cases involving formal objections by taxpayers to assessments by the department.

The number of Canadians who actually cheat on their taxes is relatively small. Last year Revenue Canada investigated 680 suspected cases of evasion, but prosecuted only 158 of them, collecting an extra \$26 million in taxes, penalties and fines as a result.

In spite of the complaints and the controversy, the vast majority of Canadians once again this year will dutifully complete and file their income tax forms in time for the April 30 deadline. According to John Robertson, Revenue Canada's director-general of audit, "most people try to comply with the law." The majority of married taxpayers have little choice: two-thirds of all income tax collected in Canada is deducted from employee paycheques (another 18 per cent is paid directly by the self-employed and pensioners, 17.5 per cent comes from corporations and the balance from nonresidents). Salaried Canadians who try to conceal any extra income are increasingly likely to be caught by Revenue Canada's new computers, which can cross-reference and refer to millions of separate items of information.

As it happened, a Revenue Canada computer was narrator and star of the controversial film that Basileaux withdrew last week. Coily entitled *Kneads! Mr. But There's A Computer Asking For*

Fox, the film by director John Howe was commissioned through the SRE. In the short movie, the computer, speaking in a sinister tone, warns Canadian taxpayers that cheating is not only illegal but almost certain to lead to prosecution. "I always find them," the voice says. "What do they think they're dealing with—a pocket calculator?" The machine also intones "I never sleep. I never blink. You will be hearing from me."

The film's showing on CBC's *The Journal* triggered an immediate outcry in the Commons and among ordinary viewers. Presumably, many said the film was Orwellian proof that Big Brother is indeed watching Canadians in 2001. After Basileaux ordered that the film be kept in the can—Revenue Canada even refused to release still photos from it to *Maclean's*—director Howe reacted angrily. "It is an artistic work removed from public view because of political pressure," he charged. "People may be scared by the film, but that's one of its points: being caught in a false claim is a scary thing."

The speed with which Basileaux acted to suppress the film showed that the new over Revenue Canada was becoming a major—and potentially dangerous—political issue. There was little doubt that the Tories were justified in expecting to profit from the issue. Real Liberal MP Peter Lang of Kitchener, Ont., whose home town provided the music that sounded off the theme "Everybody hates the tax department. If it was a Tory, I'd run with it, too."

**Bethford** Mulroney assigned Beatty to lead the run as the party's revenue critic, even though barely six months ago Beatty knew virtually nothing about taxes—his wife Rita has income tax forms every year—or about Revenue Canada. Beatty says that he decided to concentrate on the human aspects of taxation and, as a result, he now receives at least a dozen letters daily from angry or baffled taxpayers. Beatty believes that over the past year Revenue Canada has moved toward a "brass knuckle" approach to tax collection. The department used to let people pay back taxes by instalments but now it tends to demand "immediate payment," "he says. "Beatty has charged, "the government is following a policy of govenancing sentence first and altering a trial later." Beatty thinks that Canada's "customary faith in the fairness of the tax department is disappearing and cites one of the department's new measures to prove it: a telephone poll carried out last May found that 26 per cent of respondents disagreed with the statement that "Revenue Canada treats everybody fairly." In 1982, 23 per cent disagreed, while in 1980 only 18 per cent

did. "There is definitely a shift to the more hardened view," says Beatty, who denounced the department as "a regime elephant that has got out of hand."

**Surprise** Joining Beatty on the free-member Conservative task force on taxes that will visit every province this March and early April are MPs John Slosky from Toronto, British Columbia's Lorne Greenaway, New Brunswick's Robert Howie and Senator Guy

de la Harpe, and, by extension, the government itself.

Basileaux has been an MP since 1978 for the riding of Charlebourg, just north of Quebec City, where he lives with his wife and two children. Basileaux joined the cabinet in 1980 and was given the revenue portfolio in 1982. Traditionally a politically understanding, though administratively brutal job, the revenue portfolio is usually



Encounter of Revenue: "I'm feeling in the department that we are being harassed."

Charlebourg. After hearings, the task force will make recommendations on the management of Revenue Canada, its powers and its tax collection methods. The recommendations could become party policy and go into law if the Tories form a government.

Although the controversy about Revenue Canada developed gradually over more than two months, it appeared to catch the Liberal government almost by surprise last week. One possible explanation was that most Liberals were more concerned with the question of Prime Minister Pierre Trudeau's future as leader and his peace crusade than with isolated Tory growlings about tax collection. As a result, Basileaux was virtually on his own in defending

himself to a rising young politician as a witness minister whose career is in the twilight. Basileaux, pleasantly nervous, is something of an anomaly, even to most of his caucus colleagues. But fellow Quebec MP Pierre Desjarlais said: "He has the intellectual discipline to meet all this. He's admirable."

Basileaux is the sixth revenue minister in the past 12 years, which, critics say, is part of Revenue Canada's problem: a lack of political control. "The high turnover of ministers," said Larry Doucette of Halifax, a former president of the Canadian Institute of Chartered Accountants, "has meant there has been very little control over senior staff, and senior staff don't have the same accountability that a politician

# "How can we get Canada going again? A major impetus could be an orderly energy resource development strategy."

John Stoik

President and Chief Executive Officer, Gulf Canada Limited

Most Canadians seem to agree that a national industrial strategy would help us to sustain the current economic recovery and help us plan realistically and constructively for a world beyond economic recovery.

But other than agreeing that we want less unemployment, more productivity, a Canadian high technology industry - and that we never again want to relive the last two years - there are many different views of what that strategy should be.

While we ponder the problem, we keep missing opportunities to realize our potential - a potential as great as or greater than that of almost any other industrialized nation.

One step toward an industrial strategy that would sooner or later benefit a majority of Canadians, should be the orderly, long-term development of our tremendous energy resources - particularly oil and natural gas.

However, implementing such a strategy would mean changing some of the rules of the energy resource game - or at least having a game in which the rules don't change half way through the season.



John Stoik

What Canadians want most right now is jobs.

And labour and industry alike desire higher productivity.

One widely-discussed route to these goals is to stimulate new industries such as high technology.

We support this idea.

But Gulf Canada believes that to develop new opportunities, we need strength and growth in the traditional industries upon which much of our economy is built. These have been, and will be for generations, the basic Canadian strengths. They are major users of high technology. They could be bigger users.

The opportunity.

Canada has an enormous supply of oil and gas, resources that people at home and abroad will need and use well beyond the year 2000,

despite the growth of alternate energy sources.

Exploration and development of these resources generates jobs in hundreds of manufacturing industries - from shipbuilding on the east and west coasts to pipeline building and refinery operations across Canada.

Where high technology is concerned, the petroleum industry in 1982 spent millions of dollars on electronic equipment, computers and other 'high tech' products. And 1982 was a bad year.

The petroleum industry can provide a major impetus to the Canadian economy if we can turn the industry around.

What do we need to do?

Gulf Canada suggests the following policy measures:

1. The indisputable benefits of

Canadian oil and gas resource development must be recognized - benefits such as security of supply and the opportunity to develop export markets. A commitment now to oil and gas development will help sustain the present economic recovery.

2. Canada should take advantage of the recent decline in international prices to remove the 75% ceiling on Canadian 'old' oil. Canada should move to world prices for all its domestic oil production.

3. Governments should continue to re-examine industry/government revenue sharing positions, and consider the following modifications to fiscal policy:

- A reduction of the front-end tax load.

This will leave a higher proportion of discretionary income to industry,



Canada's oil sands deposits may make us the most petroleum rich country in the world. Unfortunately the cost of extracting oil from these shallow deposits is high. New technology must be developed to make these vast reserves available. The investments needed are in the billions. Yet if our governments can give encouragement to industry today, the oil sands can be a source of future wealth that can put Canada in the forefront of oil-producing nations.

subject to taxation, of course, if not re-invested. Also, it would encourage a higher level of industry activity.

- Further encouragement of oil sands, frontier and heavy oil development.

Special consideration must be given these investments in the future because Canada's long-term opportunities in hydrocarbon development lie in the high-cost, high-risk frontier areas, and the oil sands.

These projects will require a greater assurance of near-capacity operation, through access to export markets on realistic competitive terms.

4. The National Energy Program must be reviewed.

To quote from a study published by the non-partisan C.D. Howe Institute:

"The NEP was introduced to Canadians as a solution to the nation's energy problems. It promised to unite Canadians and to make them prosper. In its first two years of existence, the NEP

has proven to be a major disappointment. New energy challenges are emerging that are quite different from those the NEP was designed to deal with. . . A reassessment of Canada's energy objectives is already overdue."

Specifically, eliminate the discriminatory aspects of the Petroleum Incentive grants, and introduce an exploration incentive system that treats companies equitably.

Also, eliminate the back-in provision that allows the Federal Government to claim, retroactively, 25 percent of discoveries.

A signal to the investment world.

These changes would telegraph to the international investment community that foreign investment is welcome and needed in Canada.

There is a growing realization by the Canadian public that Government interference in the petroleum industry has earned a price tag that far exceeds the benefits achieved.

If our economy is to stabilize and grow, there will have to be a fundamental shift in the direction and intent of federal policy-making. The message is simple: give us sensible policies we can trust and that will make things happen.

The need for consultation.

Gulf Canada contends that many of the policies that contributed to our recent economic woes were the product of confrontation instead of consultation.

To maintain our current economic recovery - and to plan realistically and constructively for a world beyond economic recovery - we must foster genuine co-operation among business, government and labour.

To that end, Gulf Canada has proposed new approaches to three-way consultation and recently we have seen some encouraging initiatives including formation of the National Productivity Council and the intention of the government to introduce more permanent mechanisms for consultation as expressed in the latest Speech from the Throne. Without such genuine consultation, we may be doomed to go on spinning our wheels, missing opportunities and - at worst - reliving the experience of the last two years.

If you would like copies of a recent speech on reviving Canada's economy by Gulf Canada's President John Stoik, write to:

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has." Some Liberal MPs agree. Said Kitchener's Lang: "Bousquet has been hung out to dry by his own officials. We have to make the department more politically accountable."

**Targate:** Accountability by tax department personnel to their own bosses was one reason for Revenue Canada's new toughness and for the collection quotas that Bousquet felt forced to discontinue. Modern management, technicians and productivity targets have become standard throughout the federal civil service and have been applied—over-zealously at times—to the revenue department's tax collection responsibilities. Said economist John Bousquet of the University of Toronto: "There is a need for some administrative devices such as quotas. It is simply a management tool." For his part, Deputy Minister MacDonald noted that his department is "in the tax collection business [and has] to apply the law."

If taxpayers object to the law, said MacDonald, they should approach the finance department, which sets tax policy. Yet some tax experts are convinced that Revenue Canada personnel often are ignorant of the laws they are supposed to apply. Said Toronto chairman of accountants Gordon Pross: "I must say, I'm surprised at the attitude of some of the revenue officials when confronted with these questions by the public and the press. I was at one meeting, and they were laughing about it."

But few Canadians found the subject amusing. John Bellco, president of the Canadian Federation of Independent Business, charged that Revenue Canada was using "Gestapo-like powers to go on fishing expeditions" and that the department includes a "percentage of bullies." Even John Robertson, the department's top spokesman, admitted that he sometimes found frustration and bitterness among lower-income Canadians, particularly over tax shelters that are available for those with greater incomes. Said Robertson: "Some might be tempted to say, 'What the hell, why

should I pay taxes when these guys aren't?'"

Changes in public morality and in attitudes toward the government are probably causing more Canadians to look for ways to avoid paying taxes. "Very few people feel guilty about tax cheating," said tax lawyer Nicholson. "They look at it as cheating the government and not their fellow citizens. The feeling of concern about tax cheating is not guilt. It's fear." Other tax specialists, including tax figures like Economic and Regional Development Minister Donald Johnston, have detected

blewking among Canadians. But there were isolated protests, such as the angry confrontation in Langley, B.C., between irate farmers and the tax men. And in Quebec, where the provincial government has imposed a new tax on tips earned by waitresses and other service industry employees, the owners of some 15,000 restaurants planned to close their doors for a day next month to protest the extra paperwork. The new tax, amounting to eight per cent of employees' salaries, angered waiters, waitresses and bartenders, as well as the restaurateurs who are responsible for collecting it. Said Jürgen Melchers, owner of Le Pige in Old Montreal: "My best waitress quit because of this. She said if she had to pay tax on her tips it wasn't worth her while to work."

**Norman:** In an attempt to root out the controversy over Revenue Canada, Bousquet last month asked William Farlinger, a senior partner with Woad Gordon, to conduct an independent review of the department and of the way it enforces the Income Tax Act. Farlinger's report will not be completed for months, but the fact that such a study is under way may give Bousquet some time to manoeuvre and mend fences, especially with voters. Given the Tory link farms and the barnyard stories it seemed certain to elicit, the Opposition is certain to do everything it can to keep the issue of taxation before the public. And tax payers themselves will continue to seek every deduction and save every dollar the law allows as they face up to the unpleasant chore of filing

out their income tax returns in the next few months. There can hardly be a taxpayer in the nation who did not understand exactly what Bousquet meant last week when, after officially inaugurating a \$55-million renovation program at the Customs and Excise College in St. James, he told reporters: "I am very sorry." "It's true that some days are more fun than others."

Despite the widespread suspicion and criticism of Revenue Canada, there was no sign last week that a tax revolt was brewing among Canadians. But there were isolated protests, such as the angry confrontation in Langley, B.C., between irate farmers and the tax men. And in Quebec, where the provincial government has imposed a new tax on tips earned by waitresses and other service industry employees, the owners of some 15,000 restaurants planned to close their doors for a day next month to protest the extra paperwork. The new tax, amounting to eight per cent of employees' salaries, angered waiters, waitresses and bartenders, as well as the restaurateurs who are responsible for collecting it. Said Jürgen Melchers, owner of Le Pige in Old Montreal: "My best waitress quit because of this. She said if she had to pay tax on her tips it wasn't worth her while to work."

With John May and Susan Riley in Ottawa, Anthony Wilton-Smith in Montreal, Jane Murphy and Robert Scott in Toronto.



Tony Revue critic Beatty's wife file in his tax form every year

## Revenue: a powerful adversary

For many Canadians, the task of each year's income tax return is an annual ordeal involving guile, sweat and frantic calculations. For some, mailing off a tax return can also trigger a chain of events leading to months or years of anxiety, devastating financial penalties and even a prison sentence. Armed with receipts, T-4 slips and an often inadequate knowledge of Canada's tax law, the often can feel himself locked in an unequal battle with a government department that has at its disposal some 14,000 permanent employees, broad legal advantages, which include powers of search and seizure, and the tenacity to wait years to

be denied to sue, his salary can be attached or a law delayed by his employer.

Many taxpayers discover that there is even a tax on tax. A penalty of five per cent of the total tax owing is charged for late returns, plus an additional one per cent for each month that it remains unpaid. For those who are caught cheating, the penalties are severe. Canadians convicted of tax evasion must pay the taxes owing, plus interest, as well as a fine—and may go to prison.

**Pushy:** Not only is Revenue Canada powerful and often pushy, but to the taxpayer with a legitimate grievance it can be confusing and uncommunicative.



Arthur Arnold: increased vigilance is putting pressure on the taxpayer

catch those who are at fault.

Canadians who run short of Revenue Canada find themselves up against a bureaucracy that is frequently unfriendly and equipped with extensive powers. Citizens who file tax returns on good faith may be required, as the result of an arbitrary judgment by a departmental auditor, to spend months fighting to prove that a claimed deduction is legitimate—while Revenue Canada's collection division threatens legal action if the disputed amount is not paid. If a taxpayer's objection is overruled, the taxpayer can launch an action before the Tax Court of Canada, a procedure that could involve substantial fees for lawyers and accountants. If a

taxpayer loses the case, he or she may be forced to pay the costs of the action.

In some cases taxpayers whose claimed deductions are disallowed may simply be the victims of careless or unfounded judgments by tax assessors. Toronto tax consultant Gordon Pross believes that some Revenue Canada personnel "do not know anything about the law" and yet, added Pross, "nothing ever happens to the assessor who makes a mistake, whereas the taxpayer stands to lose his shirt."

Revenue Canada has the responsibility for seeing that taxes imposed by Parliament are duly collected. And with the federal deficit now standing at more than \$30 billion, there is a greater need than ever to detect and collect every cent owed by taxpayers. Problems

can mean trouble for the taxpayer. Last year a particular taxpayer in paying tax law amendments caused a one-month hiccup in processing tax returns. As a result of the time pressures, said Clyde King, a tax department spokesman in Toronto, many taxpayers who had failed to provide documentation for deductions simply had their claims disallowed. Said King: "When anything came up that looked like a problem, our people said, 'We'll assess it on the basis of what is in front of us.'" For many taxpayers, obtaining a legitimate deduction proved to be a long and costly process. That resulted in such a flood of objections, said Arthur Arnold, director of financial services for H & R Block Canada Inc., the country's largest tax preparation service, that his firm had to hire extra people to what is normally its slow season.

In its search for errors and evasions in tax returns, Revenue Canada has considerable tools at its disposal. Along with sophisticated auditing techniques, the department has computers that have tapped into diverse sources of information, such as data made available by other government departments and by many Canadian municipalities on real estate transactions. All of this permits an increased degree of vigilance which puts pressure on taxpayers while generating the revenue that Ottawa badly needs. Last year alone the federal government turned up an extra \$140 million.

**Armed:** In theory, Revenue Canada treats all Canadians equally. But in recent years some taxpayers have found an extra degree of scrutiny because of their occupations or investments. At various times hobby farmers, artists, commission sales people and self-employed professionals, such as doctors and dentists, have been singled out for attention. Currently, special audit teams are carrying out an investigation into real estate tax shelters. Armed with computer printouts and detailed information on the taxpayer's income, Canada's auditors are questioning deductions claimed for financing and other costs associated with the purchase of apartments and townhouses under Canada's Multiple Unit Residential Building program—a nationwide scheme to encourage construction of multi-unit housing by allowing investors tax write-offs. That investigation could continue for years and is the process cost another group of unhappy taxpayers, honest and otherwise, hours of anxiety and thousands of dollars in disallowed deductions.

—David S. Schwartz and Thomas

# Kitchener fights back at the tax man

Chris Speyer, the Tory MP who provoked the current tax quota furore, says he understands why the town erupted in Cambridge, Ont. An outlying community of 35,000, 100 km west of Toronto, most of its residents are descendants of Presbyterian Scottish settlers accustomed to going quietly about their business. But the recent needless "managed manufacturers" in Cambridge," said Speyer, "and the bitter irony is that as conditions become worse, Revenue Canada just turned the screws."



Speyer: 'as conditions become worse, Revenue Canada just turned the screws'

Speyer said he first became concerned about the tax department's "unbridled use of power" in the late 1970s when he worked as a lawyer. After he became Cambridge's MP in 1979, conflicts started swirling. Speyer complains about Revenue Canada's aggressive tactics. But it was not until a group of right-anarchist companies in Cambridge, led by Richard Mathew of the firm Kelly-Graham-Meyco, complained to Revenue Minister Pierre Boudreau and to Speyer last November about unfair tax collection methods that the MP decided to question Boudreau. On Nov. 29 Speyer stood in the

House of Commons to ask if local tax assessors had to fill revenue quotas, and the battle was joined.

The publicity that the original Commons exchanges produced quickly prompted others to get in touch with Speyer. As a result, the MP produced in the House a confidential Revenue Canada document which had been issued at the Kitchener tax office. It informed an auditor that he and nine others on a section of the other end had to recover an additional \$3 million in unpaid taxes per year. Cambridge is within the tax-

ing National Film Board production about "significant" tax collection methods. *Revenue Canada* is a Computer Aiding for You, Gordon had to persuade one ratepayer not to throw away his second insurance card or stop paying his taxes.

As for Richard Mathew, he said that he convinced other associates to join him in protesting to Revenue Canada after he noticed a growing tendency within the department to press harder for collection, to audit more heavily and to lay more charges. He said that one associate had threatened a book-keeper with a personal audit if she did not give the answers he wanted. "Revenue Canada, through quotas and God knows what other methods, is applying pressure on the risk-and-file assessors," said Mathew. "The assessors should be permitted to apply objective judgment. They will do a good job because, like everyone else, they have pride in their work."

**Reprisal** One assessor who had pride in his work was Murray Cruckshank, 36, who quit his \$30,000-a-year job in the Kitchener office on Dec. 2 after one of his superiors denied to the press that there were any quotas. Cruckshank said that he considered the denial to be "a blatant lie." He quickly established his own payroll tax consulting firm in Cambridge, but he became a central figure in the issue when he told his story to a local newspaper reporter. "I was so angry when it came to reflection," Cruckshank told Mathew's, "but I do not believe that every single person that owes money to the government warrants that sort of [heavy-handed] treatment." Cruckshank's main concern now is that local businesses might avoid his new company because of fears of reprisal from Revenue Canada.

At the Kitchener Revenue Canada office Director Harold Estrope said that he is personally investigating the files of anyone who complains of unfair assessments. His staffers are demoralized by "this war," he said, and they wonder who among them is feeding information to Speyer. He denied that his superiors ever instructed him to step up collections and suggested that public resistance to paying taxes may be increasing. As for Cruckshank, Estrope said tactfully that he understood the former assessor resigned for personal reasons. Added Estrope: "If you want to be fined, there is no sense coming to work at the tax department."

—ROBERT BLOCK in Cambridge, Ont.

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# A Liberal dose of patronage



Liberals in the House: even some Liberals were annoyed by the use of government funds for large patronage projects

By Mary Jaganan

While Prime Minister Trudeau wound down his lofty peace mission in Eastern Europe last week, his fellow Liberals concentrated on bitter political concerns in the House of Commons. Many eyed the doleful spectacle of Finance Minister Marc Lalonde apologizing to Tory Leader Brian Mulroney for the incorrect charge that Mulroney advocated tax breaks for the wealthy. In the back rooms party strategists struggled to ensure that the government gives legislative priority to bills that appeal to traditional Liberal voters, such as ethnic and women—even as a party report concluded that affairs were "in a state of considerable disarray." And behind the scenes some Liberal MPs were enraged about a new and potentially damaging issue: the use of government funds for large-scale patronage projects.

Molteni's has learned that the government awarded all 148 Liberal MPs access to \$500,000 for job creation projects in their ridings last year. The money comes from the \$710 million

added to the employment initiatives program by Finance Minister Marc Lalonde in his April 19 budget. Most of the Liberal projects were funded by the budget's \$150-million addition to the Employment Creation Grants and Opportunities Program. According to Toronto MP Ursula Appellman, such MP was asked to come up with projects that would create jobs—and be prepared to defend their usefulness. The limit was "more or less" \$500,000 per riding, said Appellman. If the civil servants in the employment department who evaluated the suggestions objected to a scheme, they could reject it. If the civil servants approved, Liberal MPs were then free to announce their programs—so long as they followed an established press release format. The first sentence had to read, "(The MP's name) on behalf of [Employment Minister] the Honorable John Roberts today announced."

And the last sentence had to state, "The grant was made possible through new job creation funding announced by the Honorable Marc Lalonde, minister of Finance, in his April 19 budget and a part of the federal government's program to

create employment opportunities for Canadians."

Although job creation projects are funded in all ridings, only Liberal MPs were asked for suggestions and were guaranteed a set amount of funding. With all but two Liberal seats in Eastern Canada, the procedure effectively denied the West the same access to the national treasury. Last month Tory MP James McGrath asked for a list of the number and locations of jobs created under Lalonde's budget program. He also pointedly asked in a written question if all MPs were "asked to submit proposals for projects under this program." So far, the government has not answered his questions. Last week Tory MP Porfirio Borjas said that Opposition MPs have never been asked to submit projects for the budget program—nor have they been guaranteed funding, although some projects have been started in Opposition ridings. "What the Liberals have done is to set aside a draw-off of cash for their re-election purposes," he said. Molteni's "Obviously, public funds are being used for entirely political purposes."

Although the patronage fund has had an impact on ridings across the country, the only riding of its extensive state last fall, where Sir Roland de Gennaro used his \$500,000 on a new social services agency, Alliance Community Services, in his north-central riding of Toronto-Rosedale-Lawrence. At the time it was not known that this was part of a larger scheme. De Gennaro lobbied the agency because he was convinced that unskilled Italians in his riding were not being properly served by government. The agency, which opened last month, plans to hire a total of 11 workers to counsel the Italian community on health, education, jobs and family concerns. But the grant created established management and agencies such as Community Management Services, which changed that the new association had no proven record and met few of the funding requirements.

It also upset many Liberal MPs who noticed that several Italian-Canadians associated with the centre had strong links with Trudeau's former principal secretary, Jim Coates. He knew the astrophysicist as the Liberal candidate in Toronto's Spadina riding, and—despite his denials—there is widespread belief in the party that Coates wants to become Liberal leader. Some MPs believed that the agency money was a reward to Italian-Canadians for their political loyalty to Coates. Indeed, some MPs—such as former Liberal cabinet minister James Fleming, a longtime foe of Coates—charged that the group was trying to take control of riding associations executives in Metro Toronto. If a leadership convention is called, Coates critics argued, riding executives could help ensure that the constituency needs deputies who are loyal to Coates. That could make Coates a long-term become he would lose a natural base of votes.

Last week Coates flatly denied charges that he was involved in any plot to build up his power base. "I am not organizing to get Jim Fleming or anybody," he declared. Coates-Capitano, a former real estate salesman who is now the financial director of Alliance Community Services and who has been active in signing up new Italian-Canadians in several Toronto constituencies, denied that he was working for Coates or trying to harm Fleming. "How can you step up as a Canadian from participating in the democratic process?" he asked of his recruiting activities. And he defended the new agency, arguing that \$50,000 Toronto Italian Association help that Coates-Law can provide. "We try to help the community and ask for funds like any other agency," argued Capitano. "Coates feels it has a monopoly to serve the Italian community. I don't know why they pick on us."



Appellman: Coates (below), all 148 Liberal MPs had access to \$500,000 each



Still, many Toronto MPs remained concerned about the patronage system in general, and the de Gennaro grant in particular. "They have taken the normal step of publicly criticizing it. Fleming even wrote to supporters asking them to join the riding association quickly to block a 'takeover' of Italian-Canadians friendly to Coates. And he criticized de Gennaro's sherry-fueled meals. Said Fleming: 'I am using my money [the \$500,000] to fix up eight or 10 houses, to fix up facilities for Italian senior citizens, to build picnic shelters and to help the handicapped. I think I'll create a bank of a lot more jobs. And the facilities will be there five or 10 years later.'" As for the Coates connection, Fleming said: "I see a link to Coates and Spadina? I can only see what I see." Appellman said that the controversy has "split the Italian community and an important voice of other ethnic communities." But she did not believe that Coates is involved because "he is usually more subtle—and, friendly, the whole thing has really annoyed the Toronto caucus."

Toronto MP Andrew Nicholson, a social worker, argued that the project also violated all of the traditional rules for funding social agencies. The federal government does not usually provide basic administrative funding for local agencies, traditionally a responsibility of the province. It occasionally provides part of the core funding for the national headquarters of a Christian agency. But, provided all core funding, the project is also open-ended and thus creates a funding dependency when the grant runs out. Asked Nicholson: "So what happens to the clients when the grant expires?" According to Fleming, in addition to replace the entire who employ two other Liberals. At Reggina, the former executive assistant to Liberal MP Michael Sponner, and Fabio Sponner, a former member of Fleming's riding association Capitano said that about 75 per cent of his current staff of 30 are "voters." Nicholson questioned that professional agencies tend to use only one or two of the best students to work on specific tasks under the guidance of senior staff. "I don't want to criticize de Gennaro," he added, "but this is not the way to plan social services."

The alliance against de Gennaro's extent to which worries about the party leadership—and the upcoming election—have preoccupied and distracted the government. In their determination to use all resources to win the election fight, the Liberals may have only harmed their cause. And Trudeau, home from Eastern Europe late last week, may wish that he had travelled longer on the international stage. ☐



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# An assault on the Senate

Some half century ago, Quebec nationalist Blaise Bourassa claimed that demands for reform of the Canadian Senate tended to break out "periodically, like other forms of epidemics and current fevers." That observation is just as true today, but Parliament's upper house remains stubbornly unchanged, still for the most part serving as a rich pasture for old politicians and influential friends of the party in power. Last week it seemed likely that the upper chamber would survive yet another reformist assault—a series of far-

that you get when you know you are not going to have to enter the government or anyone else."

In order to compensate Quebec for a relative loss of power in the face of the proposed increase in western representation, the committee suggested a special voting formula for legislative involving language rights. Any such bill going before the Senate would have to be approved by a "double majority"—by the entire Senate and by a majority of francophone senators as well. Another proposal would restrict the

could trial their new power bases. Acknowledging that the report was of "crucial importance," Justice Minister Mark MacGuigan said that Ottawa would respond to it in time for a federal-provincial first ministers' meeting in March as constitutional reform. But MacGuigan has obviously admitted that a federal government preoccupied with re-election is not likely to give Senate reform a high priority.

The 18-member committee was itself divided on what should be done. Two members, New Democrat MP Rod Murphy and Nova Scotia Tory Howard Crosby, both publicly dissented from the reform proposals and called instead for outright abolition of the Senate. Crosby was skeptical that Prime Minister



The upper chamber: despite demands for reform, it still serves as a pasture for friends of the party in power

reaching proposals that called for an elected Senate with new powers to influence legislation and with greatly increased representation from the West and the Atlantic provinces.

The blueprint for reform, put forward by a joint committee of the Senate and the House of Commons, proposed increasing the number of Senate seats to 144 from the present 104, doubling the number of senators from the West to 48 and increasing the number from the Atlantic provinces to 48 from 36. One-third of the senators would be elected every three years, and each would serve a single nine-year term. According to Senator Gélina Malgat, the Manitoba Liberal who served with former Liberal cabinet minister Paul Cusack, it is unrealistic to expect, because the senators would not be eligible for re-election they would have "that independence

Senate's ability to block legislation approved by the House of Commons. The absolute veto the Senate now has, but never uses, would be replaced by a "suspensive veto"—the right to delay non-financial government legislation for up to nine months.

Although recent polls show that 79 per cent of Canadians favor an elected Senate, the obstacles to reform are formidable. Under the new Constitution, the Commons, the Senate and seven provinces representing 50 per cent of the country's population must agree upon any change in the upper chamber. The most serious objections might come from the provinces. In the past Alberta and British Columbia have argued for a Senate composed of provincially chosen representatives, and provinces in other provinces may oppose the idea of an elected Senate because its members

see Pierre Trudeau, who recently has been paying political debts by appointing longtime supporters to the 60, 225-a-year Senate jobs, was serious about reform. Said Crosby: "Trudeau could have unembellished the Senate with new, different people—people who would make sense of the present senators' fee quality for only showing up once a year."

Co-chairman Malgat may also have doubts about the likelihood of the committee's proposals being translated into reality. He challenged Trudeau to take a symbolic "first step" by limiting terms of office to nine years when he fills the 12 outstanding Senate vacancies. In the meantime, as debate over the committee's proposals began, there was no sign of any great alarm in the chamber of "under second thought." After all, the Senate has said it will survive.

—REPORTER BY SUSAN RILEY in Ottawa



Locked-out pulp workers, Bennett (Quebec) labor strike and tension over cutbacks

## B.C.'s bitter new fight

When he reentered the British Columbia legislature on Jan. 30, after a 111-day adjustment, Premier William Bennett returned to an atmosphere only slightly less acrimonious than that which characterized the tumultuous October session. At that time his government had to involve closure repeatedly in order to pass a controversial restraint program, while labor took to the streets in opposition. Last week there were echoes of the autumn turmoil as 14 pulp and paper companies locked out 15,700 workers at 30 mills across the province.

It was British Columbia's largest and most serious labor dispute since Operation Solidarity, a coalition of labor and community groups, put 80,000 public sector employees on strike for 33 days to protest government austerity last November. The fresh dispute threatens the government's single most important revenue source—the forestry industry. And it comes at a time when the powerful union movement in the province is still shuffling at Bennett's cutbacks in health, education and civil service jobs.

The pulp dispute threatens to be both long and bitter. The two actions involved have been without a contract since June and are refusing to accept a company wage proposal for a three-year contract which includes a wage freeze in the first year. The Pulp and Paper Workers' Union, the body representing the 14 companies, is holding firm in a dispute that a bare minimum of \$10 million per day in lost production and wages.

Since the lockout began on Feb. 2, the two sides have traded charges and countercharges. Forester Bureau president Richard Lester maintained that the two unions had delayed already lengthy contract negotiations. The reason, the locked-out workers were hoping for a strike alliance with 37,000 Eastern Canadian pulpworkers whose contract expires at the end of April. Such an alliance would leave the entire industry "vulnerable to work stoppages," Lester charged.

In reply, union leader Art Grunzmann said that the companies had locked out their employees "to fire up pulp prices" by promoting a shortage.

Grunzmann, western vice-president of the 65,000-member Canadian Paperworkers Union, stated that his union would not resume bargaining until it had met with its smaller sister, the 3,000-member Pulp, Paper and Woodworkers of Canada,

and declaration by the two main political parties in British Columbia last week suggested that the province's economy will be deeply divided. The Social Credit regime announced that its polls show that most British Columbians approve of the government's actions, while the New Democratic Party Opposition maintained that those policies are devastating the province.

on Feb. 23 said Grunzmann: "Now that they have looked as out, they can go to hell."

The unions angrily rejected the companies' wage offer, modelled as a past signed by 45,000 lumber workers. Lost week apart from the first-year wage freeze, that contract, between forestry firms and the International Woodworkers of America (IWA), calls for a four-per-cent increase in the second year of the contract and a 3.5-per-cent rise in the third year. The locked-out workers insist that the pulp industry is in better economic shape than the lumber sector and are holding out for a two-year contract. The pulp workers believe that the IWA accepted a weak contract but they have no plans to yield the strike by prodding IWA job sides.

The B.C. forest products industry is the backbone of the province's economy, accounting for 50 cents of every dollar produced in British Columbia. As a result, the pulp dispute has worsened already tense relations between the government and organized labor. Because of public pressure, the government dropped its plans for mass firings of civil servants and teachers. It is still determined to reduce the province's 45,000-member civil service by 25 per cent by year's end but it is likely to achieve that goal largely through attrition. Still, Operation Solidarity leaders remain watchful. Art Kahn, president of the B.C. Federation of Labour and co-chairman of Operation Solidarity, warned that the province's economy is so fragile that the Solidarity Coalition is ready to mobilize again.

Despite that warning, the government is moving ahead with its restraint program while hoping to avoid another full-blown confrontation. It is doing so by a variety of means. In the province's interior, increasing severance fees by as much as 33 per cent, cutting legal aid and proposing to turn the province's liquor stores over to private enterprise.

The pulp dispute marked the return of serious labor discord to the province, and declaration by the two main political parties in British Columbia last week suggested that the province's economy will be deeply divided. The Social Credit regime announced that its polls show that most British Columbians approve of the government's actions, while the New Democratic Party Opposition maintained that those policies are devastating the province.

—BRIANNE FOLKNER in Vancouver



## Sauvé's struggle to regain health

Ever since she returned from a trip to the Soviet Union last summer, governor general-designate Jeanne Sauvé has suffered bouts of an undiagnosed illness which kept her away from her former job as Speaker of the House of Commons for weeks at a time. Last week Sauvé remained confined to bed at Ottawa General Hospital, suffering another attack of what her doctors described as a respiratory ailment—and what is rumored to be viral pneumonia. According to doctors, Sauvé was slowly improving—yet once again to her family, which had been deeply worried about her chances of recovery. But, while Dr. John Henderson, a specialist in internal medicine, reported at week's end that she was responding to treatment, doctors remained about Sauvé's ability to take on the largely ceremonial but arduous job as the Queen's representative in Canada.

With Sauvé still in hospital, Prime Minister Pierre Trudeau's office is unable to set a date for her installation as Canada's 23rd governor general. The man who asked for her resignation, who seemed to become Canada's High Commissioner to Australia, to stay on in the post indefinitely, but to be away in hospital last week for recurrent stomach pains which have left him unable in the past month. Sauvé's illness and Schreyer's release from the National Defence Medical Centre in Ottawa at midweek once again linked the issues of health and the office of the governor general. That concern first surfaced with Schreyer's predecessor, Jules Légaré, who suffered a severe stroke in the first year of his five-year term. Légaré's illness restricted him in fulfilling his duties and, as a result, the presence of the governor general in public life became much less visible during his tenure.

When Trudeau asked Sauvé to become Canada's first female governor general last December, she insisted that her health was not an issue, notwithstanding that she was ready to tackle the post with all her energy. But, as Dr. William Schreyer's press secretary, observed, "Being governor general is not a menial job. The pace is murder."

The medical bulletin at week's end did not clarify whether the disease might return. "Even the administration of the hospital must wait for her condition," declared Marie Bender, Sauvé's newly appointed press secretary. "She has always been very private. She does not like being sick." But, as governor general-designate, Sauvé is finding that her health is already a public matter.

—HILARY MACDONALD in Ottawa.



De Ragopar (left) and Leighton: a bankrupt company and a political controversy

## The high cost of candor

When Alberta Premier Peter Lougheed flew from Edmonton last week to attend the Winter Olympics, he left behind a stubborn political controversy. For two weeks Alberta lawyers and media speculators about what they may see as political interference in the province's judicial system by Lougheed's powerful Conservative administration. The issue erupted on Jan. 18, when the attorney general's department fired a respected Crown prosecutor, John Paulsen, without explanation. Many lawyers thought they knew the government's motive. Paulsen had been a source of a report in *The Calgary Herald* that an influential Conservative and close friend of Lougheed's, George de Ragopar, had been under police investigation over the activities of a now bankrupt company, Debt Colony Herald Publishers & Printing Co. Ltd. The government has made it clear that it will act in the most vindictive way to protect its own.

O'Callaghan made the remark last week at a public forum organized by the Edmonton-based Criminal Trial Lawyers' Association in a dispute. The Paulsen incident. More than 300 people showed up to vent their anger over the affair, which critics said reflected the Lougheed government's reputation for quashing dissenters. After the meeting the association petitioned Lt. Gov. Frank Iacobucci for a public inquiry into Alberta's justice system.

With Attorney General Neil Crawford on vacation, Minister of Justice Minister Julian Senghaas said that he did not know if there was any connection between the firm and The Calgary

*Herald* report mentioning de Ragopar. But when Crawford returned last week, he confirmed that he had made the decision to fire Paulsen because the prosecutor had broken "a fundamental principle of justice" by commenting on a case that was under investigation.

At the heart of the issue is the Edmonton-based Debt Mortgage Corp. Ltd., which a court declared bankrupt in April, 1981. Last year the RCMP launched an investigation into the company's affairs but dropped it last month without laying charges. In December, Paulsen told *Calgary Herald* reporter Don Truskey, who was writing a story on the trial investigation, that de Ragopar had been a chief executive officer of the company and would be included in any investigation. Although it had not been published, that information, he said, was already a matter of public record because it was included in RCMP search warrant documents filed in provincial court May 12.

At week's end, Lougheed was in Saragosa and so was de Ragopar. Having left Debt several months before its bankruptcy, de Ragopar subsequently became provincial government co-chairman for the 1986 Calgary Winter Olympics. Then he became deputy minister to the cabinet, at a salary of more than \$71,000, last July. Paulsen, for his part, was maintaining a discreet silence. And Crawford, insisting that allegations of political interference were being made in "a very careless way," said that he would oppose an inquiry into the provincial judicial system. The de Ragopar affair will likely be waiting for Lougheed when he returns later this month. —DON WINGARD in Edmonton.

## A policeman's inglorious end

It was an inglorious end for a veteran Montreal police officer whom a colleague once described as "the prince of the city." Last week in Quebec Superior Court, Mr. Justice Gerald Ryan sentenced Robert Marchessault, the former head of the city's elite drug squad, to 14 years in prison for perceiving what he was supposed to prevent: trafficking in illicit drugs.

The arrest of the 45-year-old detective captain last March 31 sent shock waves through Montreal's 4,000-member police force. Even before he became chief of the 35-member squad in 1979, the steady, balding Marchessault was one of the most widely respected policemen in the Montreal Urban Community police department. He had previously headed the city's crack squad, surveillance and organized crime units. But his well-publicized career collapsed, in ruins, when, in mid-March, 1981, a hidden camera inside a police vault recorded him stealing drugs.

A police surveillance team watched Marchessault for two days before arresting him. He confessed to stealing 1 kg of hashish and 184 g of cocaine over the previous two months. Still, many of Marchessault's colleagues had difficulty accepting his downfall. They remembered him as the one who 10 years ago started the police department's opium party—a bi-monthly annual affair with a \$10 admission fee that produced hefty donations to help the city's poor. But the faded Lee Piroff, the force's retired bomb disposal expert who knew the former detective well, said Marchessault had changed in the year before his arrest. He had gradually become moody and uncommunicative with his men. "They felt that they did not know him anymore," Piroff said.

In Marchessault's courtroom defence, lawyer Gabriel Laporte argued that his client had been temporarily insane when he stole the drugs. Financial difficulties, caused chiefly by \$100,000 in back taxes and his wife's arthritis-related problems, had helped to push him to break the law, Laporte said.

But the jury refused to accept the plea of temporary insanity and found Marchessault guilty of three counts of stealing and trafficking in drugs. Rod Ryan is handing down the sentence. "This is not a case of just a run-of-the-mill drug trafficker." For the former star policeman, now in a protective custody cell, the toughest challenge lay ahead—serving in a prison canteen long men whom he had once met.

—LEWIS BARAKAT in Montreal.



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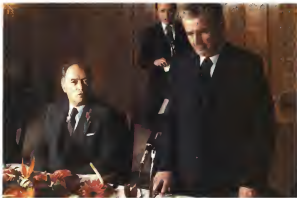


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# Assessing the peace mission



Convergence (right) hosting a state banquet for Trudeau, at-the-cut reflections on NATO's freeze-and-policy of difference.

By Carol Goss

The near-miss took place in the Romanian capital of Bucharest, the final stop on Prime Minister Pierre Trudeau's eight-day Eastern European tour. As Trudeau's Boeing 707 approached Bucharest's Gheorghe Airport, Soviet Foreign Minister Andrei Gromyko left for Moscow. The two missed each other by a mere 25 minutes. For Trudeau, still swearing down on when—or if—killing Soviet President Yuri Andropov will meet him, his much-wanted peace mission remained a story without a climax.

The Prime Minister planned to tell Canadians this week whether or not he will leave the plot unbroken or await Moscow's invitation. As he flew home from cordial but inconclusive talks with the leaders of Czechoslovakia, East Germany and Romania, his officials prepared Trudeau's report to Parliament on the peace initiative. The Prime Minister admitted that the time has come to decide if the mission has a

future and, indeed, if it should determine his own future. The Prime Minister still remains the master of enigmas. "My destiny is no mystery," he told reporters last week, "but I don't think I would like to tie it to any aspect of my major interests in life."

As Trudeau stresses his four-month search for understanding, there are deeper signs that East-West relations are improving after months of acute tension. Edward Rovey, the chief U.S. strategic arms negotiator, last week noted that Washington may be prepared to reopen stalled talks on limiting strategic and intermediate range weapons. The Soviets walked out of both arms of negotiations in November after NATO began deployment of Pershing II and cruise missiles. And in another promising development, Britain's Conservative prime minister, Margaret Thatcher, paid a two-day official visit to Hungary—her first in an Eastern Bloc nation since taking power in 1979. NATO diplomats suggested that Thatcher's trip could signal the beginning of a new

East-West rapprochement. And Budapest's official Communist Party daily newspaper, *Nepszombat*, termed Thatcher's visit "a symbol that [East-West relations] can be improved."

Whether Trudeau can at least take partial credit for encouraging dialogue remains unclear. But the Prime Minister did manage to create tensions of his own. Trudeau's provocative remarks during a panel discussion in Duxbury, Switzerland, before he flew to East Berlin, left his NATO allies flummoxed. Trudeau openly questioned the credibility of NATO's freeze-and-policy of nuclear deterrence. He stated that any alliance that must keep the opposition at bay by threatening a nuclear war is relying on a doubtful proposition. His European audience reacted with hostile murmurs. And in Ottawa Progressive Conservative critics charged that Trudeau had acted irresponsibly. Many foreign affairs critics (British Bloc) termed Trudeau's remarks "the most serious mistake he has made since he started his peace effort."

Predictably, Trudeau's off-the-cuff reflections overshadowed the true purpose of his trip. Although Trudeau received remarkably warm receptions in East Germany and Romania, there was little doubt at week's end that the focal point of the trip was his cabinet in Switzerland. Indeed, the entire future of the Prime Minister's peace crusade may hinge on his ability to restore his—and Canada's—reputation as a dependable NATO member. When a reporter asked Trudeau whether his comments had jeopardized the initiative, the Prime Minister would only say, "It is a matter of opinion."

Canadian officials insisted that there was no link between Trudeau's criticism of NATO and the enthusiastic welcome he received in Eastern Europe. But the contrast between the Canada's rapid endorsement of the initiative before Duxbury and the effusive assurances of the East Germans and Romanians last week remained glaringly evident. As if to balance the effort, in Bucharest Trudeau carefully noted that "I am very satisfied that I have made the decision not only to continue talking with NATO or nonaligned countries, but also with countries aligned against us."

At first there seemed to be little grounds for personal rapport between East German leader Erich Honecker, a 71-year-old former roof maker, and the 58-year-old Trudeau. Still, the Prime Minister could not have missed for a more glowing endorsement. Honecker told Trudeau, "Your visit is an event whose significance is noted far beyond the frontiers of our two countries." And in Romania President Nicolae Ceausescu welcomed Trudeau with similar enthusiasm. Like Trudeau, Ceausescu has been conducting peace crusades of his own as part of the Romanian leader's continuing attempts to strike an independent foreign policy from that of Moscow. Said Ceausescu: "We appreciate and support your efforts to ease the tense international situation."

Trudeau's reception from Honecker and Ceausescu mirrored the endorsements of 17 other world leaders during the Prime Minister's travels. But the welcome he needs most—Andropov's—has been beyond his grasp. Canadian officials said that it could come by the end of this month, but Trudeau would only state warily, "I am waiting. When I have a date, I will try to go." But observers now question how long Trudeau can keep his quest for peace—and his career as an international statesman—alive. If Trudeau has a reply, he is not sharing it. "I will answer that question privately to myself," he said at the end of his Berlin Bloc tour. The systematic statements will likely keep Canadians guessing until his day of self-appointment arrives. ☐



Chrétien with wife, Maryse; popularity fueled by the economy's continuing recovery

## THE UNITED STATES

# Budgeting for an election

The response from Christian fundamentalists to President Ronald Reagan's first re-election campaign speech was predictably warm. In Washington last week 4,000 religious broadcasters responded with enthusiastic applause to Reagan's well-known conservative philosophy. Reagan attacked his faith in God, denounced abortion and child pornography and called for "voluntary" prayer in U.S. schools. But as the president made his debut in this year's race, administration officials were swirling a document on Capitol Hill that will likely spark more campaign controversy than even actual prayer. The document, Reagan's 1985 budget proposal.

The \$255-billion package includes a record \$84.4 billion earmarked for military spending, an increase of 8.8 percent over the current fiscal year. Only partially offsetting the spending jump will be small cuts in housing, food stamps and legal services for the poor. RSI, those so-called "personal entitlements" constitute 42 percent of the budget's outlay. But by far the most controversial figure in the package was a jaw-breaking \$180-billion deficit, an amount that even opposition commentators warned could choke off recovery.

The Democratic Party's efforts to pin the blame for deficits on Reagan will likely dominate Congress's pre-election session. Reagan's previous deficit, they argue, will support high interest

rates and aggravate the nation's \$70-billion trade deficit by keeping the value of the U.S. dollar high.

But the U.S. economy's continuing recovery has only fueled Reagan's surge in popularity. With inflation below four percent and unemployment down to 6.1 percent, Reagan's "approval rating" has climbed steadily to 57 percent of all voters—higher than any third-party president since Dwight Eisenhower.

Veteran campaign workers caution that it is still too early to predict November's outcome. But with the crucial New Hampshire primary only three weeks away, the race for the Democratic nomination shows signs of a serious upsurge—with Walter Mondale the man to beat. Buoyed by two important endorsements last week—from former Democratic National Committee chairman Robert Strauss and House Speaker Thomas (Tip) O'Neill—Mondale has further lengthened his lead. Recent polls of Democratic voters show him leading 60 percent to Senator Jesse Glenn's 34 percent. Glenn has slumped back to a dead heat for second place with Jesse Jackson. It now seems unlikely that Glenn will overtake the high-flying Mondale. Still, with the two outsiders leading poll results at one another, Reagan may find that a divided Democratic Party could counterbalance the burden of a staggering deficit. —LENN GLENN in New York

## The battle for ballots

When *El Salvador's* Constituent Assembly voted last fall to hold presidential elections on March 28, Western diplomats in the region feared that the results would do little to force a national reconciliation. Indeed, there is concern that the current campaign will only intensify the four-year civil war. As the campaign gathered momentum last week, Maclean's correspondent Paul Borman travelled with two of the candidates and filed this report.

The baking heat of afternoon gave way to a cooling breeze in the town of Molaca, 40 km to the

hard for the insurgents vote, the poor citizens who traditionally have constituted 60 per cent of the voters and although they are afraid to speak out against him in public, one candidate said privately of d'Aubusson: "We know he is a criminal and that we should vote for the Christian Democrats. But out here in the village, you do not vote as you are told, there is repression."

Meanwhile, José Napoleón Duarte, d'Aubusson's chief rival and leader of the Christian Democrats, has called for "dialogue" with members of the left-wing Farabundo Martí National Libera-

tion force and the right.

The poll also confronted a widely held belief among diplomatic observers that next month's elections will prove inconclusive. If so, constitutional rules will force a runoff vote between the top two politicians. Duarte and d'Aubusson, the front-runners, would likely appeal to other parties for support. That could make Guerrero, a lawyer allied with El Salvador's business and military leaders, the ultimate power broker.

Although U.S. officials privately view the prospect of a d'Aubusson presidency with alarm, Ronald Reagan seems prepared for such an outcome. "We believe in fair and open elections," U.S. Secretary of State George Shultz stated during a nine-hour visit to San Salvador. "And we believe that under these circumstances, you accept



Duarte campaigning; d'Aubusson (right); increasing alarm among diplomats at the prospect of an extreme rightwing presidency



seath of San Salvador, where the disruptive figure gave the audience his pledge: "I won't put in another president. I will also be commander-in-chief of the armed forces." The speaker was Roberto d'Aubusson, whom former U.S. ambassador Robert White last week accused of having planned and ordered the 1980 murder of Salvadoran Archbishop Oscar Arnaldo Romero. d'Aubusson, the standard-bearer for the extreme right-wing National Republican Alliance (ANUSA), strutted about like a Salvadoran John Travolta, wearing tight jeans and cowboy boots. In his speech, the 40-year-old d'Aubusson offered his own simple but enigmatic solution to the nation's troubles: "Military victory and an understanding between those who work and those who give work."

d'Aubusson and ANUSA are pushing

tion. Front guerrilla organizations. But Duarte has recently increased his tone in the face of a bitter onslaught from the right, which has denounced him as a Communist.

Duarte has been careful to praise the armed forces, stating that they are better behaved politically than the guerrillas. But the compromise may not d'Aubusson's. A private opinion poll which the Christian Democrats recently commissioned indicated that 45 per cent of the voters have no preference among the leading candidates. Only 38 per cent favor Duarte, 38 per cent support d'Aubusson, and 18 per cent back Francisco Guerrero, the leader of the conservative National Republican Party. The law support for Duarte has worried his campaign managers, who believe that he must win decisively if he is to subdue the armed

the verdict, whatever it may be."

In addition, Reagan last week endorsed the Kissinger commission's recent recommendation to spend \$4.4 billion in aid for Central America, including more than \$1 billion for El Salvador alone. But at the same time, former ambassador White levelled scathing charges against the White House that could make winning congressional approval difficult. White told the House foreign relations committee's Western Hemisphere subcommittee that the Reagan administration had deliberately hidden evidence from the commission linking d'Aubusson to Archbishop Romero's murder. The Reagan administration may find Congress increasingly hostile to its expensive solution for ending El Salvador's nightmare, especially with d'Aubusson in charge. □



GCHQ centre in Cheltenham: a test case for Thatcher's challenge to the trade union

## BRITAIN

### Thatcher's war on a spy union

For three decades the British government was so defensive about its top-secret spying establishment in Cheltenham that even a one-time deputy defence minister found himself barred. But last week, as protests mounted over British Prime Minister Margaret Thatcher's abrupt decision to strip its 7,000 employees of the right to union membership, the shadow activities of the Government Communications Headquarters (GCHQ), 139 km southwest of London, created a stir.

The country's labor leaders are watching the GCHQ affair as a test case of Thatcher's determination to further weaken Britain's lagging trade union movement. Still white-collar union leader Kenneth Gild ("If the government puts away with this one, it might be tempted to extend it to other fields.")

Labour Party leader Neil Kinnock has charged that Thatcher tried to do away with the union under the cloakscreen of security concerns. U.S. workers shoot leads from GCHQ's co-operatives with Washington's National Security Agency in electronic eavesdropping—some to have preplanned the job. The former head of U.S. Air Force Intelligence, Gen. George Koenig, admitted in a recent London television interview that Washington is relieved by any measure that brings the GCHQ into line with U.S. laws banning eavesdropping from intelligence and military operations.

As the outcry from British opposition and union leaders grew, Foreign Secretary Sir Geoffrey Howe attempted to defend the ban last week by taking a list of eight labor disruptions at the agency over the past five years, including one that occurred during the Soviet invasion of Afghanistan and another during the Falklands War. But Howe's move backfired. Infuriated GCHQ employees issued a press release detailing the exact location of seven major intelligence-gathering outposts scattered across Britain. The employees also revealed that the centre had been decoding secret Argentine communications throughout the Falklands crisis and monitored Soviet troop movements prior to the Afghanistan invasion.

Still, union leaders are worried by a government offer of £1,700 to every employee who signed every last right to union membership. Last week a 30-man union delegation met with Thatcher for two hours at 10 Downing Street trying to trade off a no-strike clause in exchange for union rights.

Labour Party officials, meanwhile, are the GCHQ union ban as a first step in Thatcher's plan to introduce legislation banning strikes in all essential public services. Clearly, the secret building last week behind Cheltenham's cloakscreen was only a warming of more confrontations to come between Thatcher and the entire British trade union movement. —MAURICE McDONALD

## At last, hints of a settlement

After waging an expensive and indecisive 17-year bush war against rebels in Namibia, the South African government last week signalled that it may finally be ready to negotiate an end to the direct control of the territory. In a speech to the national House of Assembly in Cape Town, Prime Minister P. W. Botha announced that South African troops had begun "dismantling" from Angola, where they have been fighting the Namibian rebels and their Angolan and Cuban allies. At the same time, Botha hinted that he had recently held pro-South African political parties in Namibia to prepare for a referendum leading to independence. Speaking about his Jan. 26 meeting with his Namibian supporters, Botha said, "I felt there under no illusion about my government's determination to resolve this matter as soon as possible." But diplomats who have participated in the 30-year international effort to secure Namibia's independence greeted Botha's optimism with caution.

In recent years South Africa has played a diplomatic cat-and-mouse game with the 150 member nations of the Western contact group—Canada, the United States, Britain, France and West Germany. It has accepted the group's plans for a settlement in Namibia half a dozen times, but then managed to back government-backed second intangements. Now the South government apparently has decided that ending the bush war with the rebel South West African People's Organisation (SWAPO) in its South Africa's best interest. During an official tour of the region last week, the U.S. assistant secretary of state for African affairs, Chester Crocker, declared, "We believe the window is open."

South Africa has opposed a settlement because it diffuses even the threat of a SWAPO victory. Last week Western diplomats say that SWAPO would almost certainly win free elections in Namibia. The Botha government feared a right-wing backlash from Afrikaners at home, who believe that an independent Namibia would become a strategic wedge between threatening South African security (Namibia, formerly South West Africa, has 1.2 million blacks who are ruled by 76,000 whites.) Military leaders, who wield considerable influence in the Botha cabinet, have argued that the war in Namibia served to repel the so-called

"total onslaught" of Moscov-directed black Marxist movements.

In recent months, however, Botha has managed to calm domestic fears about a SWAPO takeover. His government has successfully persuaded other neighboring states—Botswana, Lesotho and Mozambique—to drop their support for an anti-apartheid guerrilla movement. Botha believes that South Africa can render a SWAPO government just as pliable as that of Marxist Mozambique, which has opened direct diplomatic contacts with his country. In South Africa white voters' overwhelming support for a government referendum last November effectively sanctioned representation for colored (mixed race) people and Asians. As a result, the political influence of the extreme right wing of Afrikaner society has diminished.

Another decisive factor in Botha's new mood of conciliation is the alarming casualty rate in the bush war. During last month's operations in Angola, 11 South Africans died and another 300 were wounded. As well, the war is proving to be prohibitively expensive at a time when South Africa's economy is weathering its worst economic crisis in 90 years. The world price of gold—the economy's mainstay—has plummeted. Severe drought has crippled the agricultural sector and forced South Africa to become a net food importer after years of surplus. Inflation hovers at 11 per cent while the rand has dropped in value by 40 per cent, to 90 cents Canadian. The economic squeeze comes at a time when the government is already committed to introducing disparate new constitutional measures, including the expensive system of new parliamentary chambers for coloreds and Asians and meeting colored politicians' demands for government spending in local districts, a process the colonials call "bringing home the candy."

But there are still significant stumbling blocks to Namibian independence. One is South Africa's long-standing demand, which the United States supports, that the 20,000 Cuban troops withdraw from Angola. Angola has steadfastly refused, arguing that the Cuban presence is essential to the Angolan government's security. Now Botha may be tempted to search for a face-saving device to withdraw the South African demand. At the same time, there will be calls from within South Africa for Botha to secure safeguards for Namibia's white residents. But the prime minister believes that Namibia's whites must save their own skins. "It is up to them to decide what they want to do," he says so urgently. If Botha keeps his new strategy, Namibia's long struggle for independence may be nearing an end. —ATLANTIC VOYAGER in Cape Town

## WEST GERMANY

### Restoring a general's honor

For West Germany's embattled defense minister, Manfred Wörner, it was a narrow escape from political oblivion. Under fire for mistakenly dismissing a top army commander for alleged homosexuality, the 69-year-old Wörner last week subverted his resignation to Chancellor Helmut Kohl.



Wörner: reaching for redemptors

Wörner admitted that, under close examination, military intelligence reports that former deputy NATO commander Gen. Ginter Kießling had frequented a bar popular among homosexuals in Cologne had proven false. Then, in an equally controversial move, Kohl decided to retain Wörner, provided that he reinstated Kießling with full honors and a public apology. A humbled Wörner, who had earlier accused Kieß-

ling of placing himself in a position where he could be blackmailing, admitted, "No security risk exists."

But the boisterous Kießling affair is unlikely to end with Wörner's apology. The scandal has left Kohl's troubled right-wing administration open to opposition charges of cronyism and "irresponsible" leadership. Kohl already faced criticism for allowing another cabinet minister, economics chief Otto Lambsdorff, to stay in power despite charges of bribe-taking. The scandals have prompted opposition Social Democrats (SPD) to question Kohl's leadership abilities. And one SPD spokesman last week "We are being mocked abroad as a republic of clowns."

The source of the erroneous accusations against Kießling was West Germany's counterintelligence service, Militärische Abschirmdienst (MAD). Service officials claimed that Kießling had often visited the Tom Tom bar. But shortly after Kießling's dismissal, Cologne police discovered a Kießling look-alike at the Tom Tom, lending credence to the general's claim that the charges were based on mistaken identity. Then, as Wörner's case began to fall apart, he summoned a former editor of a Berlin-based, homosexual-oriented magazine, Alexander Sieglar, to hear evidence indicting Kießling. But after Wörner flew Sieglar to Bonn at government expense, he could produce nothing more than a typed transcript of an alleged homosexual encounter. In a scathing editorial the daily newspaper *Süddeutsche Zeitung* described Wörner as "a drawing man reaching out not only for strokes but for witnesses."

The chancellor's decision to retain Wörner seemed to have little to do with loyalty. Kohl seemed to fear that a cabinet crisis would only benefit his right-wing rival, Franz-Josef Strauss, the leader of Bavaria's Christian Social Union. Strauss has long sought a post in Kohl's cabinet and last week he urged him to fire both Wörner and Lambsdorff, hinting that he personally could fill either post. But Kohl rebuffed Strauss, fearing that he would dominate the cabinet.

The Kießling affair showed no signs of abating. The SPD, encouraged by angry public opinion, has vowed to dig further into the case during a special parliamentary inquiry this week in Bonn. As first events appear, it may be Wörner's himself. The all-party probe's findings may yet damage both Wörner and Kohl far more than the protests of a single general's wrongful dismissal.

—PETER LEWIS

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When tennis stars **Chris Evert Lloyd**, 35, and **John Lloyd**, 39, married in 1979, sportsmen and money managers alike considered their romance a love match. But they were not a perfect set and have announced their separation. While Evert's career soared, Lloyd's plummeted. He dropped from 33rd place in 1977 to 30th place in 1980 (he now ranks 73rd). And despite the apparent tranquility of marriage after Evert's two turbulent years with tennis bad boy **Jimmy Connors**, last year Lloyd was writhed in discover that his wife had been spotted—as far east as—in the company of former pop emperor **Adam Faith**, 43. But Evert insists that the separation is merely a trial and declared: "There's still very much a chance that we will get back together." Still, whether the "Ice Blades" will play singles or doubles remains to be seen.



John and Chris Evert Lloyd: playing singles or doubles?

To his chagrin, music sensation **Michael Jackson** was hotter than ever while filming a commercial for Pepsi Cola. The Guinness record holder (his *Thriller* LP has sold 23 million copies) suffered second- and third-degree burns when a rehearsed smoke-bomb canister exploded, setting his hair on fire. Early reports attributed the mishap in part to his powdered hair, but Jackson said he had only

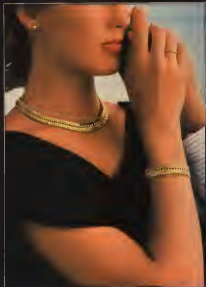
sprayed it with water. Greased or not, his hair and the back of his scalp were burned in a palm-sized patch. Last week Jackson said he may sue the soft-drink company for damages—despite the record-breaking \$10-million contract. But, said his lawyer, **John Stoen**, Jackson was grateful to his fans "for the love, flowers, telegrams and support." The attorney added that he "especially wants to thank his dear friends **Jane Fonda**, **Brooke Shields**, **Olivia Ross**, **Yui Ryuzaki**, **Liza Minnelli**, **John Travolta**, **Guinevere Jones** and **Paul McCartney**." With so many close friends, it was little wonder that the question most people were asking members of the U.S. Olympic team as they arrived in Sarajevo for the Games was "Have you ever met Michael Jackson?"

U.S. Democratic candidates **Alan Cranston** and **George McGovern** last week won unexpected points in their bids for the presidency. McGovern for valor and Cranston for humor. On the campaign trail both found themselves restrained in the **Julien House Inn** in Dubuque, Iowa. When a pre-dawn fire broke out in the sixth-floor room below McGovern, he threw a transom out his pyjamas and raced through the corridors, pounding as fears to rescue other guests. McGovern reached the lobby before he remembered that one of his opponents was also in the hotel, so he tried to alert Cranston on the house phone. But the police had already done

it. Stud Cranston: "When the police knocked on my door, all I could think of was, 'Oh no. What have I done now?'" So I yelled, "I'm innocent!" After the fire was extinguished, Cranston added archly, "I suspect if George was trying to reach me, he was probably trying to tell me that everything was all right and to stay in the room."

If sometime actor **Ronald Reagan** can be president and astronaut **John Glenn** hopes to be, it seemed almost inevitable that former Beverly Hills-bour **Henry Kulp** should run for the U.S. Congress. Last week the gruff-voiced actress threw her hat into the ring for the Pennsylvania Democratic congressional primary on April 10. A Nov. 6 shot from the district's 13-year Republican incumbent, **E.D. (Red) Sweater**, 52 Kulp finds it "obscene" that her opponent would otherwise have run unopposed. "The bloody well has to answer for a lot of things he hasn't done for the area," she said. So far, Kuster has declined to comment on his opponent publicly, but an aide was overheard to remark, "I liked her on *The Beverly Hills*." Kulp, 42, was born in Harrisburg, Pa., and returned to her home town a year ago. "I've gained a lot of press," she said. "That's fine—I can't afford to buy it." ☐

Kulp: Ms. Mathewson goes to Washington



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# Axworthy vs. the airlines

By Ann Finlayson

When Ottawa first tried to deregulate Canada's airline industry by loosening control of fares and routes in 1982, then Transport Minister Jean-Luc Pepin had to shove the idea because of objections from a financially troubled airline industry which faced soaring fuel costs and dwindling numbers of passengers. Although the industry lost \$100 million in 1982 and an estimated \$80 to \$90 million in 1983, Transport Minister Lloyd Axworthy now has reopened the divisive deregulation debate, and next week his ministry will take no case to the federal regulatory body for airlines.

Axworthy is reinforced that the policies of the Canadian Transport Commission (CTC) have to change. Declared Axworthy: "Canadian air travel is too industry-oriented. I am aiming at a more open, competitive system."

Axworthy has hinted publicly that he would like to see lower prices and increased competition between a greater number of airlines. That, he said, could be accomplished by giving the airlines more flexibility in setting prices and by changing the way routes are awarded. Axworthy also suggested that secondary airports near major cities could become the hubs for nonstop flights, not full services. Next week the CTC will begin hearings in Hall, Que., to study those ideas and get the reactions of the public and the airline industry. Over the next two months the CTC will carry the debate to 13 other cities across Canada. But although the public is likely to react favorably to the prospect of lower fares, airline industry executives and union spokesmen already have expressed reservations about loosening the rules. They claim that deregulation has led to labor disputes and bankruptcies in the United States since its advent in 1978.

According to a Gallup poll released to Maclean's by the Consumers' Association of Canada (CAC), 43 per cent of adult Canadians in a sample of 1,971



Toronto's Pearson International Airport; Axworthy: new proposals for lower fares

have flown as a commercial airline in the past two years. About 66 per cent of Canadians believe that high fares are the major deterrent to air travel. The poll also revealed that three-quarters of Canadians believe airlines should be allowed to provide service anywhere in the country—the CTC now divides routes between regional and national carriers. And Canadians feel that the level of service to a community should be determined by the number of units and that each route should receive its own costs. According to CAC spokesman Ken MacDonald, consumers believe the airlines have become "unwieldy, inefficient and unresponsive to passengers' wishes."

But there are strong arguments on both sides of the deregulation debate. Proponents point out that since the administration of Jimmy Carter introduced the Airline Deregulation Act in 1978, domestic fares in the United States have dropped by 50 per cent, about 80 new airlines

have entered the market, and there has been intense rivalry on lucrative routes between major cities. By contrast, opponents are alarmed by the heavy losses incurred by the U.S. airline industry—\$500 million in the first half of 1983 alone. Among other things, they point to the bankruptcy of Braniff International Corp. in 1982.

Canadian airline unions fear a repetition of U.S. labor turmoil north of the border. Union leaders contend that deregulation has led to thousands of layoffs and reduced salaries for U.S. employees. They also complain that small, nonunion airlines, which rely on reduced labor costs to lower fares, make competition increasingly difficult for high-paying major carriers. According to Niles Hyman, Canadian vice-president of the International Association of Marine, Officers and Aerospace Workers, radical deregulation "would be suicidal for the industry and chaotic for the public." He described the current



situation in the United States as "jungle warfare" that has resulted in reduction of service to small communities, confusing schedules and fare structures and threats to passenger safety.

York University economist William Jordan, who prepared a 1982 comparative study of the Canadian and U.S. airline industries for the department of consumer and corporate affairs, disagreed with that conclusion. There is no evidence that deregulation has compromised the safety of air travellers, he said. As well, he claimed, there has been no loss of service to small cities, fares are generally lower, and the airline industry in the United States and the airline industry in Canada, compared, is growing rapidly.

Canadian airlines have reacted cautiously to the suggested regulations. Air Canada President Claude Taylor pointed out that while U.S. fares have dropped on popular routes, they have risen on less travelled ones. Taylor also maintained that Canadian airlines, through seasonal seat sales, advanced booking and charters, already provide discounted service to most destinations. "The universality of the discounts we have in Canada is unmatched anywhere else," he said, "and we should be reluctant to tamper with that concept."

The airlines also share some of labor's concerns. CF Air President Dan Calouay said that deregulation "is turning out to be the largest piece of anti-labor legislation the U.S. Congress has ever passed. That was not their intention, of course, but when you start permitting anyone to enter or exit markets, there is really only one place the established carriers can turn and that is to labor cost."

According to Axworthy, Canadians are envious of the lower fares and better service offered by U.S. airlines. One result of that, he said, is the "invasion" of business that occurs when Canadian travellers go to the United States to take advantage of greatly reduced fares. Indeed, the Gallup poll showed that in the past two years 14 per cent of Canadian travellers went to the United States to board a flight.

Axworthy recently revealed that there are 40 applications on file from U.S. airlines that want to provide service in Canada. They are watching Canadians "digging themselves into a hole," said Axworthy, "and unless we can increase productivity and stimulate growth through lower fares, the Canadian airline industry will continue to stagnate." But the cost savings may not produce the consensus for change that Axworthy seeks. So far, there is only agreement on the fact that the U.S. experience has provided some instructive lessons for all sales of the Canadian airline industry. <

# Unease over Jaguar's sale

John Egan, the man responsible for the dramatic three-year recovery of the stalled Jaguar Cars Ltd. from financial disaster, now faces an even more difficult challenge: the looming sale of the glamer car company to foreigners. One of the few lucrative divisions of auto and truck giant Daimler-Benz AG (formerly British Leyland), Jaguar already has a persuasive foreign suitor, General Motors Corp. But the prospect of selling the revitalized firm, valued at as much as \$531 million, to foreign owners has ignited a political storm in Britain and angered Jaguar's hardworking boss, Declared Egan: "The sale would be a disgrace."

Under the dynamic management of the 44-year-old former Massey-Ferguson executive, Jaguar recently cut off

British invitation to remain at home.

So far, no date has been announced for Jaguar's sale, but analysts say that it is likely to take place within the next six months, perhaps as early as the end of March. Detroit-based GM, which already has a stake in the British car industry through its subsidiary, Vauxhall Motors Ltd., has denied making an offer. But it has confirmed that its interest in the company and intends to invest \$1 billion this year in Europe.

The interest of foreign owners is well founded. Jaguar, which exports 75 per cent of its production, achieved a record \$361 million in export sales last year, a 45 per cent increase over 1982. In Canada, sales rose 74 per cent last year compared to 1982, and they were up 58 per cent in the United States.



Egan with his spruced-up product: a plan to sell the revitalized firm

the tarnished image it acquired in the late 1970s. Plagued by strikes and heavy losses, Jaguar had become a byword abroad for poor quality, particularly in the vital U.S. and German markets. Since taking over as division head in 1981, Egan has imposed a rigorous program of cost-cutting and a new emphasis on quality workmanship and parts which has restored luster to the firm's once-pride name—and health to its profits. The decision to sell is part of the Conservative government's "privatization" plan for industry. As a result, the firm finds itself at the centre of a political tug of war between government ministers tempted by a quick and profitable U.S. sale and those, including Prime Minister Margaret Thatcher, who want ownership of the rebo-

Egan is largely responsible for that success. A passionate believer in shop-floor communication, he introduced "quality circles" to involve the work force in direct responsibility for the product.

There are at least two alternatives to selling Jaguar to a foreign company. The government could float shares on the stock market or find a British buyer in a private deal. Egan himself favors a management buy-out, in option that the London Times recently suggested could easily be combined with a public issue of shares. Declared The Times: "There is no conceivable way that the government is going to allow Jaguar to pass into foreign ownership." That is a nationalistic view which Egan can only hope will prove to be true.

—CAROL KENNEDY in London.





Stelco Steel America, Philips: a new intelligence-gathering campaign in the U.S.

## Fighting U.S. protectionists

By Arthur Johnson

As the U.S. presidential election year progresses, demands have been growing in Washington for measures to curb the flow of foreign steel, copper and other products into troubled domestic markets. But last week, while U.S. lobbyists continued to advocate increased import barriers, half a dozen Canadian industrialists met in Toronto and took another soft step in Canada's quiet revolt against U.S. trade restrictions—the creation of a commercial listening post.

The decision by the Canadian Manufacturers' Association (CMA) amounted to the launch of an intelligence-gathering operation in Washington. The move, designed to give Canadian businessmen early warning of threatened import restrictions or other pending changes in their most important foreign market, was a radical departure for the cautious, century-old association. "We want to find some way of alerting us to any action going on in the United States that is not in Canada's best interests," said CMA President Roy Phillips.

The calls for protectionist measures, always present at Capitol Hill, usually reach peak intensity during election years. This year is no different. U.S. industries believe that their push for import restrictions stands a better chance of succeeding when President

Donald Reagan is looking for votes, especially at a time of high unemployment. As a result, there has been a recent spate of applications to the U.S. International Trade Commission (ITC) from a number of industries for the imposition of import quotas and other protectionist measures under the Trade Act of 1974. On Jan. 27, 11 U.S. copper companies, representing the bulk of the U.S. copper industry, applied to the ITC for restrictions on copper imports for five years. Earlier last month the commission received similar applications from Bethlehem Steel Corp., the second-largest U.S. steelmaker, and manufacturers of shoes and cutlery. Textile makers are expected to apply soon.

Now U.S. quotas could spell disaster for Canadian industries in sectors as diverse as steel manufacturing and shoemaking. Although Third World countries are the main target of the U.S. restrictions, Canada, which sends 70 per cent of its exports to the United States, is vulnerable. To make their case for limits under the Trade Act, U.S. manufacturers do not need to prove that imports

enjoy unfair advantage through government subsidies. An industry must only demonstrate that imports have caused serious economic difficulties. The ITC has six months to decide whether a claim is justified and to make a recommendation to the president. That means that Reagan must make a final ruling on the recent applications less than two months before the U.S. elections go to the polls.

Some of the worst cross-border animosity has arisen because of U.S. barriers to steel imports. The problems began last July, when the United States, using the General Agreement on Tariffs and Trade (GATT), temporarily imposed restrictions on specialty steel imports. Then, in January, Canada retaliated by using reciprocal provisions of GATT to cut off an equivalent amount of U.S. steel imports.

Now, U.S. steelmakers are going one step farther by asking for across-the-board restrictions on the bulk of steel imports. The reason, according to Donald H. Teitelbaum, Bethlehem's chairman and chief executive officer, is that "the steel industry remains in the worst crisis for over 20 years and western since the 1880s." If the new proposals are accepted, Canada's steel exports to the United States, which total about \$1 billion annually, could be cut in half. Ottawa is also concerned about U.S. demands for restrictions on copper imports. Canada exports at least \$170 million worth of copper each year to U.S. markets.

As the CMA prepares to launch its own intelligence-gathering operation in the United States, the Canadian Embassy in Washington is already busy assessing the increased flow of information from its own newly developed sources. After monitoring that Congress had become increasingly factionalized and hard to read, the embassy recently tripled spending on Capitol Hill lobbying and its research budget to \$600,000.

As the stepped-up effort suggests, the rising protectionist threat is being taken very seriously in Canada. But, according to Ken Whitfield, manager of the CMA's

customs division, there is always "much more noise than actual results" in the demand for restrictions. Canadian industrialists may be prepared to suffer through a year of noisy complaints from their U.S. counterparts, but they will become more nervous if Reagan begins making protectionist election promises. □



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# Lalonde: losing the trust

By Peter C. Newman

More Lalonde joined the Trudeau entourage with enviable credentials: an Oxford graduate, University of Montreal law professor, chief policy adviser to Lester Pearson—a charter member of that gifted platoon of liberal intellectuals who believed that the only way to beat the country's Anglo-Saxon establishment was on the grounds of competitive excellence.

He moved effortlessly through the tree-planting assignments handed to him until he became Trudeau's press secretary and the Liberal government's most powerful minister. Ever since he landed the finance portfolio, Lalonde has deflected himself to the most visible objective of attempting to win credibility for Ottawa with the nation's business community. That was particularly difficult for Lalonde as author of the National Energy Program but he managed it. He brought down a pro-business budget, became more accessible and much more flexible, gradually winning the trust and respect of chief executive officers who had previously preferred to risk leprosy rather than align themselves with any Trudeau initiative.

The objective of all this courting had little to do with Lalonde becoming a born-again capitalist. It flowed from his realization that wealth cannot be taxed before it is created and that the only way to revive the economy is through the government regaining the confidence of the private sector. That was the feeling of mutual trust that he has been working to establish in Lalonde's second budget, being tabled next week.

But the trust is no longer there. It vanished in a careless aside that Lalonde tossed off in the House of Commons on the afternoon of Jan. 24. When Brian Mulroney questioned him about the plight of the unemployed, the finance minister shot back that the Tory leader's claim "would have a little more validity and credibility if he had made representations either than the one I obtained from him when he was in private business at the time to deal with an advantage for the rich and a deal which would have benefited him rather than the unemployed."

When the Mulroney correspondence, tabled a full three days later, became public it contained nothing that could be remotely interpreted as pleading by the Iron Ore Co. of Canada president for himself or the rich. What turned this exchange from a partisan skirmish into

a major setback for the Liberals was that by making public the private correspondence of an executive's budgetary arguments, Lalonde destroyed the sense of trust he had built up.

At the same time, the incident will toughen the Tory leader's resolve to overthrow the Liberals. It has destroyed the camaraderie that existed in Parliament between Mulroney and the Trudeau ministers from Quebec, all of whom knew and liked the Conservative leader in his pre-political incarnation.



Lalonde: a careless aside in the House

as a Montreal lawyer and businessman Mulroney's upward mobility was as important to him when he arrived in Montreal as a brash young Liberal law graduate that he tried to create bonds with anyone who offered even the hint of friendship. The Montreal power brokers who counted were Liberals, so Mulroney moved as easily through their ranks as

among the less congested halls of Tory supporters in French Canada.

That camaraderie is now shattered, as is Mulroney's view that the Trudeau ministry can somehow be charmed out of office. "The lesson for me in this has been that I can feel I have to apologize to Dennis McDermott," Mulroney told me during an Ottawa interview. "The old leader has extended for years that he and other Canadian labor leaders could not co-operate with this government because it could not be trusted. I thought he was being partisan. I now realize that McDermott was dead on. Lalonde's actions should serve notice on all Canadians—those who have private dealings with him to discuss the budget and those who come to him as constituents with a private problem—to be very careful."

Mulroney speculates that Lalonde's actions were based not so much on arrogance as on his proprietary view of government. "Clearly this was done with a whole afterthought, unless Lalonde had planned to use that information it would hardly have been on the tip of his tongue. The implications are threefold. First, it was a signal for Canadians generally to be very careful about what they write and say to the government of Canada, because they can now never be certain that it will not be used against them. Second, it absolutely devastated Lalonde's pretense of sailing for co-operation with the business sector, which he has been doing in the pre-budget consultations. Third, what Lalonde did was no less outrageous in its implications with regard to the public service. Here a minister of the Crown makes a false statement and then turns to the public service to ask them to help him find the evidence, or put facts, to justify his gesture."

Mulroney and other Tory critics have pointed out that this is not an issue confined to the finance department, where, as matter how delicate the issue, individual pleadings and protests are limited to numbers. The Lalonde president opens up private correspondence from citizens to any department of government, including the more intimate civil rights matters that might come under Justice or the senior general's department.

The roots of Mulroney's outrage are genuine enough. Marc Lalonde may well be the first finance minister in Canadian history whose moral authority was exhausted before he tabled his budget.

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# Attacking the Freudian establishment

By Dawn MacDonald

The history of Freudian psychoanalysis is spotted with tales of passionate fratricides and irreconcilable schisms, often followed by dire predictions about the inevitable future of psychoanalytic therapy itself. The most recent display of international bickering centres on 42-year-old psychoanalyst and former Torontoian Jeffrey Masson. The former project director of the Sigmond Freud Archives in Washington against the latest row by alleging that Freud, far from being a man dedicated to scientific truth, was a coward who tried to cover up his own unpleasant and controversial findings because of peer pressure.

To denounce Freudians, what is even worse is that Masson's battle to publicize what they call his heresies has been miserably chronicled in an unprecedented flood of publicity. In the past two months the controversy has been featured in four long articles in *The New York Times*, a two-part, 45,000-word article by Janet Malcolm in *The New Yorker* (it was published in book form in July) and an excerpt of Masson's new book, *The Assault on Truth: Freud's Suppression of the Seduction Theory*, in the current issue of *The Atlantic*. With a headlines that has characterized all his movements through the Freudian world, Masson told *Maclean's*, "I think that as a result of my findings, we should give up on psychoanalysis as a means of being cured."

The reaction of U.S. analysts to Masson's allegations has so far been relatively calm, but a more turbulent response in Masson and his ideas is taking place in the Canadian Freudian establishment. Masson, a former Sackler professor at the University of Toronto, was well-known in Canadian psychiatric circles before he took up his duties at the Freud Archives (approximately 280 psychoanalysts are registered with the Toronto-based Canadian Society of Psychoanalysis). He established as a psychoanalyst in 1976 through the Toronto Institute of Psychoanalysis. Long before he completed his eight-year training, however, Masson began to deliver and publish papers on the international psychoanalytic circuit. The New

Yorker described him as "hugely good-looking, a lively talker who 'gave off a sheen of the intellectual big game'." The late Victor Calef, a San Francisco analyst, spoke of Masson and his ex-wife, Terri, a former Toronto CBC film producer, as a Scott and Zelda Fitzgerald couple. He called Calef "They were so beautiful, so brilliant, so defences."

In 1980, two years after his graduation from the Toronto Institute, the brilliant young man became project director of the Sigmond Freud Archives, a repository of some 75,000 letters and docu-

ments in an August, 1980, New York Times interview about his own theories, he incurred Rindler's wrath and lost his job. Masson used for wrongful dismissal and last year was a settlement of \$166,000. Masson's *The Assault on Truth*, to be released in Canada next month, is an examination of those controversial ideas.

Masson's case against Freud rests largely on Freud's 1897 decision to change his mind about his own childhood seduction theory, which he had announced two years earlier. At that time he reported that the accounts of some of his patients were based on childhood experiences of sexual abuse. In 1897 he retracted, saying that his patients' hysteria was the result of inner fantasy life. Masson charges that Freud bowed to the negative reaction of his Victorian peers to his dark acknowledgment of widespread family violence. In *The Assault on Truth* Masson goes even further and suggests that if Freud had continued to believe his patients' stories about childhood rape, incest and sexual assault rather than something that is fantasy, he would not have gone on to create other pivotal theories—the Oedipus complex, the concept of infantile sexuality and the life of the unconscious—which supported his fundamental idea of the existence of a powerful inner world of experience that operates apart from the real world. As a result, Masson accuses many of Freud's basic tenets are built on sand.

While Freudians have argued about the relationship of real events to mental illness since



Masson: 'we should give up on psychoanalysis'

ments in the U.S. Library of Congress. The archives were created in the early 1950s by Kurt Rindler, now 77, an eminent New York analyst, and Freud's daughter, Anna (who died in 1982), to protect Freud's papers—much to the chagrin of Freudian historical scholars. Rindler acted as jealous guardian of the letters and journals, some of which will remain locked away until the 25th anniversary Masson's appointment was the result of the friendship that had developed between him and Rindler, who believed Masson to be a defender of Freudian orthodoxy. The appointment put Masson in a powerful position in the scholarly world. But when Masson used

the turn of the century, Masson is convinced that his addition to the debate should protect the Freudian orthodoxy of psychoanalysis. Said Masson: "I do not believe there is mental suffering independent of real events. The psychoanalysts do. That is why they cannot help people who react first of all to events in terms of what has really happened."

So far, Masson's critics have given little credence to his passionately held beliefs. Said Gad Horowitz, a political scientist and an expert on Freud at the University of Toronto: "It would not surprise me that most was widespread in Freud's Vienna and that there was a



Freud with daughter Anna in 1912: many basic tenets may have been built on sand

bit of a cover-up—most likely unconscious on his part—for the sake of the survival of his work. What worries me is that perhaps Masson is pretending to discover something that people have been aware of for a very long time—as if somehow the very basis of psychoanalysis is being challenged." Paul Rosen, political scientist at Toronto's York University and author of four books on Freud, agreed. Said Rosen: "What Masson is saying is so clear there is nothing to rebel. But he does his best to the papers so he gets a hearing."

All parties to the dispute, however, are attracted by the amount of public-

ity that the relatively arcane issue has generated. Most place the blame on two factors: Masson's glamorous image and the saga of friendship and enmity between Masson and Rindler. Said Rosen: "Masson convinced Rindler of his extreme orthodoxy, was given access to all the secret stuff [in the archives] and then had a falling out." Addressing suspicion that he might have misled Rindler about his intentions, Masson countered: "Rindler knew of my interest in the seduction theory from the beginning." But Rindler, an austere, remote figure who confided to *The New Yorker* that he had never given as much to a relationship as he had to his friend-

ship with Masson, said: "He had a very positive attitude about Freud. There was never any indication that he did not think Freud was a great man." When Masson wrote to him last year, Rindler did not reply.

Underlying the substance of the dispute, and occasionally derailing it, is a fascination with Masson's personality. It is a development that frustrates Masson. Said the author: "It is driving me crazy. I manage to make a couple of points and then somebody stands up and says, 'What is it about you that compels you to do this?' Part of the damage is self-inflicted. Masson told *The New Yorker*, for example, that he (initially because he had no other help because of his promiscuity) he admitted that since he had left Harvard (where he earned his Sackler doctorate) he had slept with 1,000 women, failing in love with only five of them. Commented David Weinstein, a University of Toronto law professor and Masson supporter who specializes in psychiatry and the law: "He probably did sleep with 1,000 women. He is a very strange guy. People are very attracted to him despite all his fables. And then they turn against him."

Masson says that he knows the knives will be out for him when he travels to Toronto next month to promote his book. He became embroiled in a succession of acrimonious academic disputes during his years at the Toronto Institute and has publicly described it as "an intellectual backwater." Said one member of the 350-member Toronto Psychoanalytic Society: "The controversy has produced intense embarrassment, with some [members] almost in tears." Still others believe that the Masson affair will be beneficial. Said Fred W. Greenstein, a Toronto linguist who is working on a book about Melanie Klein, founder of the British psychoanalytic movement: "By looking away all this stuff [in the archives], runners have started. By looking little bit of it to people like Masson, scandalous aspects have been distorted out of all proportion, and people cannot check the veracity because they are not allowed to see for themselves. I think this may open things up a lot."

Masson has indicated that he will no longer practice psychoanalysis, but his brief sojourn in that troubled community has already created a disproportionate amount of controversy. Still, most observers agree that the Freudian establishment has been shaken to its core. Said York University's Rosen: "Freud is still big business." If the interest in the current dispute and the anticipated sales of Masson's book are any indication, Masson appears to be correct. ☐

# A new computer redefines forecasting

By Patricia Hlusky

**C**ANADIAN weatherman Bryce Roberts in Regina said that he gets "a lot of heat" from the public whenever his forecasts, based on Environment Canada information, are wrong. He added that a few people react with "absolute, utter rageousness." But Roberts will soon be able to reassure his forecasters with greater confidence because of the new CRAY T3E 1300 computer installed last week at the Canadian Meteorological Centre in the Nan-

nung seasonal forecasts, which are crucially important to Canada's agricultural and tourism industries. The computer will also help scientists to predict the effects of climatic upheavals, such as major volcanic eruptions.

In appearance, the new computer, the most powerful of about 30 used worldwide for meteorology, is relatively small. But the \$22-million, five-ton machine is 16 times faster than its 15-year-old predecessor, the Cyber 176. It is Environment Canada's fifth computer since the technology became as integral

world local weather conditions into the CRAY, which then processes the data to produce a 36-hour Canadian forecast.

Meteorologists will program the new computer with a model that simulates weather for the entire globe and not only the Northern Hemisphere, which is all that the old computer could handle. The new model will issue predictions based on data from more than 10,000 worldwide observation sites, plus information from ships, weather balloons, aircraft and satellites. An ex-

amination of the international scope of weather forecasting, 18 dignitaries attended last week's unveiling, including Nigeria's Goodwin Otu Patrick Obasi, secretary-general of the 151-member World Meteorological Organization, and Xia Zhengrong of the Chinese Meteorological Administration.

With the new computer, scientists will be able to study environmental problems that are linked to climate more effectively, as well as the impact of climatic disturbances such as El Niño, the warm current in the Pacific Ocean that created storms which wreaked havoc on the coast of California last year. What is more, it will be a boon in a new study on the sources of and areas affected by acid rain, a joint undertaking by the federal Atmospheric Environment Service, the province of Ontario and West Germany. James Bruce, head of the AES and assistant deputy minister of Environment Canada, said studies with the new computer will bolster Canada's contention that some of the country's acid rain comes from emissions of sulphur dioxide from the United States.

But despite its capacity, the new computer will not permit climatologists to realize fully their long-term goal of making accurate seasonal forecasts. For now, Canadians can look forward to more accurate short-term forecasts and, by 1997, 16-day outlooks. But however accurate weather forecasts become, at least one TV weatherman is not convinced that Canadians will ever be satisfied. Boyd Murray Perkins, a 19-year veteran of Winnipeg's CHYR "I do not think we will get away from the flak entirely. I think even 300 years from now Canadians will complain about the weather." ☐



Zia, Bruce, Obasi and the CRAY computer: bringing more credibility to weather predictions

tial suburb of Dorval. The advance should bring more credibility to predictions issued by environmentalists, farmers and resort operators.

Scientists say that the CRAY, one of the fastest computers in the world and the first so-called supercomputer in Canada, will permit them to make more detailed forecasts. The machine will also enable weathermen to issue accurate 10-day forecasts, compared to the current five-day predictions. Capable of more than 50 million calculations per second, the computer will allow experts to perform sophisticated studies on more enduring problems, such as the global warming, called the "greenhouse effect," which is expected to result from the buildup of carbon dioxide in the atmosphere. More important, it will advance the work being done toward long-

term seasonal forecasts, which are crucially important to Canada's agricultural and tourism industries. The computer will also help scientists to predict the effects of climatic upheavals, such as major volcanic eruptions.

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# Planning for life in zero gravity

**A**n the shuttle Challenger roared into orbit for the fourth time last week, its perfect launch seemed a fitting celebration of the space program's new lease on life. Space around the National Aeronautics and Space Administration have been high since President Reagan announced two weeks ago that the United States will develop a permanent manned space station by the early 1990s (McMahon, Feb. 6). Then Reagan followed up last week with a further, though more controversial, injection of funds: late space research bill budget for 1985 allocated \$9 billion for development of a space-based defense system, to include satellites capable of shooting down enemy missiles. And members of Canada's space program had their own reason to celebrate when NASA announced that the first Canadian astronaut would go into orbit on a shuttle flight planned for Oct. 24—a year ahead of schedule. Said Robert Bendat, one of the six Canadian astronauts in training: "It's terrific; that we have been given the opportunity to go earlier. All of us definitely feel more important today."

There was one setback at the start of this week's space mission when a \$30-million commercial communications satellite disappeared into space immediately after it was launched from Challenger. The astronauts delayed launching a second similar satellite while ground control tried to find out what happened to the first one. Meanwhile, astronaut Bruce McCloud, 46, and Robert Stewart, 41, prepared to move outside the shuttle with jet packs on their backs for the first antehatched space walks without a lifeline attached to the ship. But Canadians involved in the space program had their situation focused on March, when the National Research Council will designate the first Canadian astronaut from the six in training for the October shuttle launch.

Because of their expertise in the study of motion sickness, Bendat, 36, and Kenneth Mackay, 48, could have an advantage. Motion sickness is still a major problem in space, and, with planning now going ahead for a permanently manned station, NASA is likely to give priority to experiments that will help explain why astronauts become



Astronaut Robert Clippens exercising in orbit, week later.

nauseated. Mackay, a physiologist at Toronto's Defence and Civil Institute of Environment and Medicine, was at the Johnson Space Center in Houston, Tex., for Spacelab's 15-day flight last December to put the astronauts through a

Wait on "mini-bike" motion sickness



variety of experiments on the effects of motion sickness. Bendat, a neuro-ophthalmologist at McMaster University in Hamilton, Ont., has studied victims of multiple sclerosis, strokes and degenerative diseases of the brain who suffer from nausea. Said Bendat: "We want to find out whether motion sickness is caused by the nerve pulse from the eye to the brain, or whether it is a pulse from the brain to the eye."

Another Canadian motion sickness specialist, Douglas Watt, an associate professor of psychology at McGill University's Aviation Medical Research Unit in Montreal, is working on a device that will be part of the space adaptation experiments scheduled for a shuttle flight in late 1985 or early 1986. Known as a "matt-sled," it will move a test subject slowly back and forth along a seven-foot track. Researchers will then compare measurements of neural activity in the spinal cord with similar results from tests on Earth.

Motion sickness is not the only physical problem astronauts face. Weightlessness affects every system in the body. For one thing, zero gravity allows the fluid that usually collects in the feet and legs to move into the body. As well, without gravity to compress the spine, astronauts become one to two inches taller. In orbit, muscles waste away, the heart becomes smaller and weaker and astronauts lose calcium from their bones. Space travellers can perform calisthenics to limit the cardiovascular and muscular deterioration, "but," said Watt, "we have no effective treatment for calcium loss at this time."

With the 15-foot robot Canadarm, which has successfully manipulated satellites into orbit from previous shuttle flights, and growing scientific expertise, Canada is becoming a major player in the future of the space program. Said Donald Johnston, minister of science and technology: "Canada has already played an important role and proved her mettle." Before leaving for Florida to discuss Canada's developing role in space with NASA Administrator James Beggs, Johnston added, "Canada would like to be a part of the new frontier." —JUNE ROBERTSON/Toronto, with Hilary MacKenzie in Ottawa.

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# Faint memories of a glorious past

By Anthony Wilson-Smith

It is a season that has seen the New Jersey Devils humble the Montreal Canadiens and the demolition of the famed The Blade's Tavern. Hab fans will accept any season they can get, and of late has been precious little. Les Glorieux earned a far from glorious record of 25 wins, 24 losses and three ties into last week's all-star break. Still worse, in symbolic terms, the team that the rest of Canada once called the Flying Frenchmen produced only one player—Swedish import Mats Näslund—for last Tuesday's all-star extravaganza. Such players as Guy Lafleur, Larry Robinson and Steve Shutt, who were since then automatic all-star selections, stayed home, unwilling that, coupled with the fact that the Toronto Maple Leafs had only one all-star, their captain, Rick Vaive, last week offered telling reminders of how far the National Hockey League's most famous franchises have plummeted.

The fall has been hard and sudden in Montreal, where residents witnessed the flight of business for years with the madmen that Toronto "would trade 10 head offices for just one of our Stanley Cups." As recently as the 1975-1976 season, when the Canadiens won their fourth consecutive Cup, there seemed every reason to believe that the 500-year-old team would remain strong for years. But a series of front-office changes, ill-advised trades and the almost overnight burnout of Lafleur have diminished the team's performance to the point that much of the team itself is being trained to improve public relations.

Belaguarded head coach Bob Berry, who confessed that he does not "blame the fans for losing," was readily heckled himself earlier this month by 13,000 children attending a Canadiens game. Some parents at the Montreal Forum, despite their reputation as connoisseurs of hockey, have become graceless in defeat after defeat. The team, now in 18th place in the overall standings and fourth in its division, is not even

first in the hearts of Quebec's first couple. Premier René Lévesque recently confessed that he and his wife, Carole, prefer the Nordiques of Quebec City.

It is now considered a truism in Montreal that the Canadiens' troubles began on Sept. 6, 1978, when General Manager Sam Pollock resigned and did not designate coach Scotty Bowman as his successor. Pollock's choice, Irving

Lowright being so well. They are 15th in the league in goal scoring, and the team's leading scorer, Bobby Smith, acquired in a trade this season from the Minnesota North Stars, was tied for 25th place overall at the all-star break with 24 goals and 21 assists. At the break Lafleur had 20 goals and 34 assists. And although he has given up his bedeviling lifestyle and cut back on his pack-a-day cigarette habit, Lafleur, 22, has slowed noticeably. Minnesota Oiler Wayne Gretzky had 43 goals and 54 assists.

In Toronto, as has been the case in too many recent years, most of the excitement surrounding the Leafs takes place off the ice. On Oscar Harold Ballard banned all Globe and Mail sportswriters from Maple Leaf Gardens' pressbox after one writer had a row with coach Mike Nykolak, and then, amid speculations that Ballard would fire Nykolak because of his team's 18th-place standing, he announced "there's no damn way" he would do so. But the Leafs, with the 16th worst goals-against average, remained as strong as ever at the cash register. After a record-setting profit of nearly \$1 million for the fiscal year 1983, Maple Leaf Gardens Ltd. reported six-month earnings for the period ended Nov. 30 of \$1,671,328. But even the chance to gloat at the misfortunes of the Leafs was not enough to appease Montreal sports fans, who have already had to tolerate the Argonauts' winning the Grey Cup this year. Despite a

recent modest winning streak, many fans feel let down personally by the Canadiens. A 5-1 loss at home in December to the Devils, the league's worst team, brought frustration to a boil. Said one fan, John Howlett, 27: "When all else failed, we had the Canadiens. Now we don't seem to have anything to brag about anyone's." The loss to the Devils came only weeks after the closure of The Blade's Tavern, the beer hall that the former Canadiens coach owned and that once was called hockey's "unofficial head office." The building gave way to a shopping centre, severing another link with a glorious past. ☐



Canadian Mark Hunter (left) and Niklas Wieroski: a sudden fall

Green, made a series of poor draft choices and a disastrous trade with the Washington Capitals last season. The deal sent Canadiens defencemen Brian Engblom and Rod Langway and forwards Craig Laughlin and Doug Jarvis to the Capitals in exchange for centre Ryan Walter and defenceman Rick Green. Langway went on to be chosen the league's best defenceman, while Walter has been a disappointment, and the injury-prone Green has not played a game yet this season.

Perhaps the Canadiens' worst sin is the eyes of their fans, however, is that the team is not merely ordinary but



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## The long wait for justice

The outlook is bleak for Quebecers hoping for a prompt and speedy day in court. People who launch civil actions for such claims as medical malpractice and breach of contract now have to wait more than seven years for a hearing in the Quebec Superior Court. According to statistics released in Que-

bec City by Liberal justice critic Herbert Marx last month, a heavy trial backlog has pushed the waiting period for civil cases from four years last January to seven years by last October. And although legal experts agree that Quebec's delay in civil litigation is the worst in the country, judges, lawyers and

court administrators in all provinces say that the backlog across Canada is worsening and represents a threat to the rights of both victims and accused.

The courtroom tangle has many causes. Ontario Chief Justice Gregory Evans says that Canadians seeking to test the limits of the Charter of Rights and Freedoms, introduced on April 17, 1982, have flooded the courts with Charter-related cases. That factor, together with rising crime and increasingly complex hearings, has clogged courts which are already strained by a lack of courtroom facilities and a shortage of judges. Chief Justice Alan Gold of the Quebec Superior Court has asked 85 judges to volunteer to write their trial decisions on weekends and evenings in order to free more time during the work for trials. But judges and lawyers alike caution that pressure to hurry the administration of justice may deprive people of fair and individual treatment in court. Said Brian Granger, a court analyst with the Ottawa-based Canadian Centre for Justice Statistics: "Justice rushed is justice crushed."

The antiquated forms of courtroom administration that afflict the country's 1,400 courts are particularly acute in Quebec. Indeed, when Gold's predecessor, Judge John Deschênes, resigned last August, he said that one reason was "intolerable" administrative problems in the province's judicial system. Unlike the other nine provinces, Gold noted, Quebec does not have a system of intermediate federally appointed courts to help subdivide the higher court. Quebecers need to have such a system, but Premier Maurice Duplessis abolished it in 1962 in an attempt to centralize power over the appointment of judges.

Elsewhere in Canada, court delays are heaviest in major metropolitan areas, including Toronto, Ottawa and Vancouver. Even changes that a severe lack of courtroom facilities caused by a lack of new construction has spurred special efforts to shorten court registers, said Evans. "In Ottawa we were forced to sit in the Holiday Inn."

Canadian lawyers also contribute to the problem. In 1981 the Canadian Bar Association commissioned a special committee to examine courtroom delays. The committee reported last spring that in Manitoba lawyers' last-minute submissions of guilty pleas left the courts too little time to book other trials. As a result, the Manitoba criminal courts sat only one-third of the available time and wasted the rest. In Nova Scotia, the report found, Crown prosecutors made few attempts to seek out-of-court settlements before a case went to trial and, consequently, wasted vital court time.

The cost of the logjam has been high. Increased delays have meant that some

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accused people must stay in custody longer, even though the courts may eventually declare them innocent—a situation that lawyers and civil liberties advocates deplore. The banker has also forced some civil litigants, particularly in Quebec, to settle out of court far considerably less money than a trial might have given them. Said Montreal civil litigation lawyer John Pepper: "If someone is offered \$0 per cent now, he might as well take it rather than wait seven years for 100 per cent."

Quebec's Superior Court remains the jurisdiction with the most severe backlog problems. But according to some Quebec lawyers, Gauthier has done everything he can to remedy the problem. Early this month he appointed a team of senior lawyers, headed by former Supreme Court of Canada Justice Lauro-Philippe de Grandpré, to sort out legal wrangles in 180 cases from Quebec's lengthy waiting list. Previously the Ontario have shown that such methods can work. In early January a team of three Ontario Superior Court justices cleared away 33 cases in two days during a blitz in the Windsor courts.

Other provinces are slowly addressing the dilemma. Last summer British Columbia Attorney General Brian Smith gave judges more powers and resources to streamline the system. Smith suggested that judges interrogate lawyers about why they take so long to present their evidence. And in Ontario, Chief Justice William Oveshnik went directly—and successfully—to Premier William Davis to obtain approval for six desperately needed new Toronto courtrooms.

But prosecution of the young offenders act, expected this spring, may add to the problem. The act threatens to overload family court dockets in many provinces by introducing a new class of offenders to the system. Under the act, 16- and 17-year-olds, whose cases would have been heard in adult courts, will now be tried in family court.

Ultimately, it may be the Charter of Rights that ensures relatively swift justice. Section 11 of the Charter states that an individual must receive notice of the charges against him and a trial within "a reasonable amount of time." It is a provision that just still be fully tested in the Supreme Court of Canada, but one Montreal man, Jean-Benoît Bouchard, and the section last September is successfully fighting a traffic violation summons that arrived more than three years after he had allegedly committed the offense. The possibility that as soon as will be released before a much-delayed trial may provide the final incentive to break the court logjam.

—ANN WILSON in Toronto, with Anthony Wilson-Smith in Montreal



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# A writer fleeing from his reputation

THE PAPER MEN

By William Golding  
(Penguin, 121 pages, \$19.95)

Such intense, original books as *Lord of the Flies*, *The Inheritors* and *The Spire* made William Golding the worthy recipient of the 1983 Nobel Prize for Literature. But his ninth full-length novel, published only a few months after he received the award, is his least impressive. *The Paper Men* is an awkward and uneven black comedy, shows how uneasy Golding is with fame. It describes the mutually destructive relationship between Wilfred Barclay, a famous English novelist, and Rick L. Tucker, a transient Nebraska professor who longs to forage through Barclay's manuscripts and write his biography. The novelist scarily imagines Tucker, "tall and indefatigable, treading through my past life with his huge feet, shoving his nose down to that old, cold dirt." But the professor is not as dark as the mud as cold, as Barclay believes.

The novel takes its title from Barclay's rueful admission that both he and his would-be biographer "knew nothing about people or not enough. We knew about people, that was all." Barclay is an alcoholic with a broken marriage and an estranged daughter; he wastes his life scurrying around the world (Switzerland, South Africa, Britain, Italy) searching for a refuge from his reputation and his conscience. Tucker's voracious, unprincipled research was responsible in part for Barclay's separation from his wife, and the professor is even willing to sacrifice his own marriage for the sake of professional exit. Tucker offers his own young wife, Mary Lou, to Barclay in return for an agreement to prepare the biography. Barclay is attracted to her body but he finds her cold "about as interesting as a piece of string" and he rejects the proposition in a moment of withering scorn for the



Golding: a Nobel laureate's least impressive novel

fiction, unprincipled research was responsible in part for Barclay's separation from his wife, and the professor is even willing to sacrifice his own marriage for the sake of professional exit. Tucker offers his own young wife, Mary Lou, to Barclay in return for an agreement to prepare the biography. Barclay is attracted to her body but he finds her cold "about as interesting as a piece of string" and he rejects the proposition in a moment of withering scorn for the

American educational system, he observes that Mary Lou knows the names of his books without having read them because she "majored in flower arranging and bibliography."

Golding himself has been a favorite subject for literary scholars: a 1981 critical study listed more than 70 books and dissertations on his work. Lecturing in France, he once described a graduate student who hoped to investigate his novels as though she were a reckless hunter. "She wanted fresh blood. She was going out with her critical shotgun to bring home the living." Such violent imagery foreshadows *The Paper Men*. Certainly Golding is justified in deploring the proliferation of unreadable books and articles that take the place of honest criticism in so many universities, and to resent the indignity of subjecting a living author to an intimate biography. By creating Rick L. Tucker, Golding may well be taking revenge on some American academics, notably Jack L. Riles and James R. Baker, who have exposed his own fiction to repeated analysis. In *The Paper Men*, however, he fails to find an appropriate form to express his rage.

A comedy demands some sense of community, of shared responses, but such a community is lacking in *The Paper Men*. The laughter tactics of vignette and satire Golding writes most powerfully when he evokes the inner drama of a single man or woman, but the moral struggles of Barclay are at odds with the book's satirical observations and its feminist tilt. Even Barclay's religious nightmare at the heart of *The Paper Men* seems a dim after-image of the visions experienced so memorably by Bunyan in *Lord of the Flies* and *Joe Hill* in *The Spire*. Surprisingly, too, the prose often indulges in repetition; the novel reads as though it were rushed into print without revisions or second thoughts, in order to coincide with the renewed interest in Golding's fiction that his Nobel Prize brought about.

Still, at moments Golding remains a thrilling writer, a master of psychological detail. Unlike so many successful authors, he refuses to repeat himself. But upon cranks his style. *The Paper Men* leaves its readers with the strong suspicion that Wilfred Barclay is speaking for William Golding when he says, "What a miserable business it was, this dancing awareness, this glitter of the mind from which I constructed implausible but amazing stories."

—MARK ADLER

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- 1 *Pet Sematary*, King (1)
- 2 *Poland, My Mother* (2)
- 3 *The Name of the Rose*, Eco (1)
- 4 *Blackboard Jungle*, Armstrong (3)
- 5 *The Wicked Day*, Stewart (5)
- 6 *A Time For Jokes*, Gallagher (5)
- 7 *Bertie Gasman*, Douglas (5)
- 8 *Jelly Belly*, Lee (5)
- 9 *The Danger*, Prentiss (5)
- 10 *The Little Drummer Girl*, Le Carre

(1) Prentiss best week

### Nonfiction

- 1 *The Game*, Douglas (1)
- 2 *In Search of Excellence*, Peters and Waterman Jr. (3)
- 3 *You Can't Print That!*, Ignotz (3)
- 4 *Corridors*, Martin, Gray and Perles (1)
- 5 *Debut's Illustrated Guide to the Canadian Establishment*, Newman (5)
- 6 *The Money Spinners*, McQueen (5)
- 7 *Other People's Money*, Foster (7)
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CANADA 1991

# Eliminating an age-old dental problem

By Dave Silbert

In the past 39 years advances in dental care have prompted some U.S. researchers to make the glowing prediction that by the turn of the century children could grow up without developing a single cavity. Most dental experts stop short of such sweeping generalizations, but many agree that promising new research, including the development of vaccines against tooth decay and the widespread use of fluoride in drinking water, may make cavities a thing of the past for many North American young people. At the very least, they will dramatically alter the entire practice of dentistry.

Tooth decay occurs when naturally occurring bacteria in the mouth digest sugar and form acids, which dissolve minerals in teeth. One dramatic new method of combating destructive bacteria is to immunize the body against them through injections or oral vaccine.



Kandarian with young patient: cavities may become a thing of the past

Said Dr. Harald Low, director of the National Institute of Dental Research (NIDR) in Bethesda, Md., and one of those who predicts the demise of cavities: "It has been shown that it is possible to increase the blood's content of antibodies against the bacteria." The antibodies, which the body creates in response to an injected vaccine, would confer permanent immunity against cavities. The firm is spending \$1.5 million of its \$80-million budget each year to isolate a molecule that can be used as a vaccine to direct bacteria-killing antibodies to their target.

Meanwhile, in Britain scientists already have begun testing such an experimental vaccine in children. And researchers at Boston's Forsyth Dental Center think that they have found an even better line of attack. Boston team spokesman Dr. Martin Taubman said that their work, which involves an oral

vaccine that puts cavity-preventing antibodies into the saliva rather than the bloodstream, represents a better solution. Said Taubman: "What the guys in England are doing is immunizing to get serum [blood] antibody, but if you have serum antibody, the [cavity] bacteria could gain a foothold first."

Although Canadians are not working directly on vaccines, some Canadian research has significance for the vaccine problem. Dr. Barry McFadden, head of oral biology at the University of British Columbia, has isolated a surface molecule, or antigen, that causes cavity bacteria to stick to the teeth. He said that the discovery could lead to a method of preventing adhesion that would limit the buildup on teeth of the cavity-causing mass of bacteria called plaque.

Meanwhile, Dr. James Sandham, a professor of dentistry at the University

of Toronto, is developing an anticavity tooth varnish that is designed to kill bacteria in the mouth. According to Sandham, it will be beneficial on its own, or it "could be a precursor to a vaccine, because vaccines would work best in preventing [bacterial] colonization." Sandham added that the varnish may one day precede so-called "replacement therapy," in which dentists would replace the cavity-forming *Streptococcus* bacteria normally found in the mouth with laboratory-created mutant bacteria that would not form acid from sugar. Sandham, who has created such bacteria, said that a week's exposure to the varnish could eliminate the acid-forming bacteria and allow the new harmless ones to "colonize" the patient's mouth.

Like the anticavity vaccine, Sandham's replacement therapy is at least a decade away from general use. Even farther in the future are several more sophisticated cavity-preventing techniques, such as the use of laser beams to melt and smooth the surface enamel of teeth in order to eradicate the pits that act as pockets for decay. Improved knowledge of tooth decay is already altering the way dentistry is taught. Dr. Ian Hamilton, head of oral biology at the University of Manitoba, said that as dentists currently develop the incisor, or deciduous tooth, of teeth occurs underneath the surface. But, he adds, "As long as the surface is intact, it is conceivable that the inside can be made to remineralize."

Hamilton said that, formerly, dentists would have drilled and filled such incipient cavities. Now dentists are using fluoride solutions containing calcium and phosphate to cause the cavity to revert to normal enamel. One such compound, Oron-min, manufactured by Germphene Co. Ltd. in Bradford, Ont., is already in the market—like the first of a new

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wave of similar solutions.

But new high-tech methods of fighting tooth decay are not the sole reason for optimism. Other techniques are also joining the battle against cavities. Plastic sealants—coatings applied to teeth to protect them against acids—first became available in the 1970s. But they are only now becoming popular, partly because in the 1970s sealants did not seem as promising as the fluoride treatments. And, according to the NIH's Lee, water fluoridation and the widespread use of fluoride toothpastes are largely responsible for a 30- to 50-percent decline in cavities among five- to 17-year-olds in the United States during the past decade. Dr. John Stassen, a professor of community dentistry at Montreal's McGill University, estimated that the Canadian decline would be similar. Added Lee: "With the regimens we have for fluoride treatments and sealants, we could almost eliminate cavities [cavities] now."

In other developments, Dr. Daniel Kandelman, a professor of dentistry at the University of Montreal, is working on a clinical survey of 600 third graders begun in January, 1983, to determine whether the simple act of regularly chewing sugar-free gum can prevent cavities better than oral hygiene or fluoride alone. Earlier work by Dr. Christian Mouton, of Laval University in Quebec City, suggested that the sugar substitute xylitol used in sugarless gum may inhibit the growth of bacteria even if sugar is present. And, according to Mouton, since xylitol itself cannot nourish the bacteria, "We hit two targets at the same time." But Kandelman cautioned that the theory that xylitol inhibits bacteria in the mouth, as it does in the lab, has yet to be proven. He expects to complete his study by next November.

Eventually, the rule of the dentist will change as cavity-fighting methods as disparate as vaccines and chewing gum conspire to eliminate the dentist's mainstay—filling cavity-riddled teeth. Already, as youngsters suffer fewer cavities, dentists are seeing more decay in the roots of teeth of elderly people, who now manage to keep their teeth longer. And as the incidence of cavities declines, dentists are substituting other services. One such service at USC allows dentists to have patients' saliva tested for its bacterial content so that they can prescribe methods of reducing cavity risk. Predicted McBride: "The dentist will be much more of an oral physician than he has been in the past." Added Hamilton: "Essentially, what the dentist is going to be doing is conserving the teeth—which is really what he should have been doing in the first place." □



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## DANCE

### Dancing into a brighter future



Dance teaching: Kain (below) in Septima breathing new life into a tired institution

By Gillian MacKay

For many years the National Ballet of Canada seemed to belong in the more enlightened realms of handsome prizes and exorbitant fees that it brought to life on the stage. The glimmer and prestige surrounding its international tours, home-grown successes like Karen Kain and guest appearances by such celebrities as Rodolfo Nureyev made it the envy of Canadian performing arts organizations. In recent times, however, that aura has dimmed. Under the troubled directorship of Alexander Grist, who was asked to resign in 1982, artistic standards slipped, talented dancers quit in frustration, and the company lost much of its personal appeal at the box office. Now, under the dynamic directorship of Danish-born Kain Bruhn, 55, the National is once again striving for the top. Since taking charge last July, Bruhn has already breathed new life into the tired institution. Said principal dancer Kain: "It is 100 per cent more exciting."

That message must get through to the public if the company is to resolve its pressing financial problems. Although critics recently have detected renewed

vigor, audiences are continuing to stay away in droves. In November, traditionally the peak season for the ballet, attendance averaged 65 per cent, a far cry from the 80- to 90-per-cent houses the company commanded throughout the

1970s. If the box office continues to drop, an advance ticket sales estimate, the National's deficit could reach a record \$1.6 million by its fiscal year-end on June 30. Is a somewhat belated burst of attention to sales, the company created a marketing division in November, which is now selling discount subscription packages for the first time since 1979. But officials believe that a turnaround will come not so much from hard sell as from an artistic resurgence under Bruhn. Said Marketing Director Wendy Reid: "Eric is the knockout."

Bruhn refuses to accept the blame for the fall box office debacle, attributing it to "seven years of policies for which I was not responsible." Taking full advantage of his honeymoon period, Bruhn, internationally renowned as a teacher, dancer and choreographer, has moved swiftly to signal the start of a new era. After the uncertain drift of the Great years, Bruhn acted decisively in reexamining new works, creating new stars and structuring a glittering lineup of international dances. For the annual fund-raising gala next week, he persuaded his friend Mikhail Baryshnikov to perform with the company for the first time since he defected from the Soviet Union in Toronto in 1974. Nureyev, who criticized the company's low morale and sloppy technique in 1976, will appear in *The Sleeping Beauty* in May. And in the same month celebrated dancer Natalia Makarova will stage the third set of her version of Ludwig Minkus's *La Bayadere*.



will create new pieces.

Brubeck strongly believes that the company will not establish a strong separate identity without a significant reputation of works built around its own dancers. He shares the widespread view that the National has stood too long in the shadow of Britain's Royal Ballet, the institution on which Celia Franco modelled it 35 years ago. As a former dancer with the Royal, Grant never broke from that mould. Said Toronto Star dance critic William Little: "He was not a man of artistic vision. He was a dancer who had spented safely within the bosom of one company all his life." By contrast, Brubeck dreams of showing off the National as a world-class company in its own right. Said Brubeck: "In two years I think we will be ready to face New York without being compared to the Royal."

With his lefty aims, Brubeck has fired the spirit of a company that only a year ago was languishing in the doldrums. Recalled principal dancer Kevin Pugh: "People were exploding and getting depressed." The dancers had complained of a lack of discipline and feedback from Grant, and they have received plenty of both from Brubeck. One of his first steps was to fire three young dancers whom he did not consider right for the company. He created further shock waves by announcing that he was resigning principal roles as he saw fit, instead of by the rotation system that Grant had favoured. Said Brubeck: "I wanted them to go out and grasp the parts or they would lose them."

For now, at least, Brubeck can do no wrong. "It is such a joy to be here," said Luc Angot, a sculptor who left the National in 1979 over disagreements with Grant and rejoined the company last month. "Sometimes you need a look in the ass. That look is there." Brubeck is a gentle despot, however, more generous with his praise than with criticism. Said Pugh: "He belittles in the dancers. After a show, if we have done well, he comes up to the whole corps and tells them."

For younger dancers like Pugh, Brubeck's arrival has created increased opportunities. Pugh is making new stars shine at the box office, drawing new Kim Lightheart but happily praised debut as Juliet in November and plans to develop the "choreistry" in the partnership of dancers Pugh and Yaelo Ichino, whom he presented as principals in January. And in even younger generation, the students at the National Ballet School, are hearing the call as well. Said school principal Betty Oliphant: "Before, the best students wanted to go abroad. Now, they are lining up at the door to get in." After drafting for so long, the company would not risk the brighter endorsement of its first new course. ☐

## FILMS

# Obsessions that kill



Tredwell and Ardent, under their trenchcoats, a duflod and an Amazon

## CONFIDENTIALLY YOURS

Directed by François Truffaut

With *Confidentially Yours*, François Truffaut was not content to make a mere movie; he has tried to make several. One of them is a sordid 1940s detective drama in heightened black and white, another is a Hitchcock-like thriller with dashes of droll black humor, and the third is a light romantic comedy with screwball sequences. Intriguingly, the three combine for a single man. That is unfortunate, because Truffaut had the raw material for a tight little thriller with plenty of stragglers, buoyed by two charming amateur sleuths who eventually grow to adore each other.

Julien (Jean-Louis Trintignant), a re-actor, is under suspicion for killing a casual acquaintance while hunting his wife, who was the dead man's lover, arrived home and is murdered as well. After discovering her body, Julien perishes and hides out in his office. His secretary, Barbara (Fanny Ardant), who he has just fired, decides to help him. While he holds up the does the paperwork, and together they unravel the complicated crime, which involves several more murders.

On paper *Confidentially Yours* must have looked like a Gullie reworking of *The Thin Man*, with Trintignant and Ardant filling in for William Powell and Myrna Loy as an unvarnished version of Nick and Nora Charlin. But the good-natured couple they trade are lame, and the two are never around each other

long enough to develop a performing rhythm. The movie is like romance by remote control. Truffaut elides most of the screen time to his current real-life obsession, Ardant, and there is no denying that she is a worthy object of devotion. With her high cheekbones, casually elegant mane of hair, generous lips and stannically streamlined pair of legs, Ardant has an Amazonian allure. But her wonderfully comic, absurdly bright is never explained; she and Trintignant could have been a rickshaw puller and deli act. And, while looking in Ardant's undeniable beauty, Truffaut forgets all about his leading man, who comes off as a winning deluded rather than a cat-in-hat, in pressed, satirical. The audience wonders why Barbara gives him the time of day.

The light, honey tooth Truffaut intended for the mismatched romance spills over into the murder plot, in which the heavy visual atmosphere seems so more than the story. To give the plot life, Truffaut introduces another, older character, Hitchcock's sleazy camera technician, who he imitates slavishly and poorly, as he did in *The Bride Wore Black* in 1968. Each type of movie that Truffaut aims to ape conflicts in tone, style and thrust. Had he played one off against the other, he might have come up with an amusing pastiche. While they may be inseparably connected in the privacy of Truffaut's mind, his obsessions—Ardant, Hitchcock, and 1940s detective films—have nothing in common on the screen.

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# Mulroney the fonder and stroker

By Allan Fotheringham

The other day Brian Mulroney got up from his front-bench seat in the House of Commons and out onto Queen's Park for a morning walk. As he headed for the back curtain, he passed the desk of Tom McMillan, the Hollywood-handsome young Tory from Prince Edward Island. He stopped for a word and squeezed his arm. He leaned over Rod Bradley of rural Ontario, whispered something and squeezed his arm. He stopped with a remark for Gordon Taylor, the gruff-faced veteran from Alberta, and squeezed his arm. By the time he had slipped through the curtains, all three were smiling. Here, on display, were the gifts of Martin Brian Mulroney, the greatest fonder and stroker of ages since Lyndon Baines Johnson played the trade.

L.B.J. was a hugger and squizzer, a politician who believed that if he could get you in his grip, the overwhelming logic of his pitch would become apparent. He worked on people, finding personalities and managing wounded feelings, a leader who was actually a master. The boy from Ross County is not from the same mould, an old-style politician in a modern age. But here as a politician is the late Daniel Johnson, a Union Nationale premier of Quebec who taught the young Mulroney that there was no match for Irish charm compared with Gallic broadness. As a shy Tory at McGill law school, Mulroney always soared then at the top, and Johnson taught him that people politics is the only politics. Politics will follow.

It's one of the reasons why Mulroney is accused of being so lazy on when he speaks. At the 1986 leadership convention he actually had a reputation as a bit of a Red Tory, on the same edge of the party as Joe Clark and Flora MacDonald. Now he is pointed as a tool of the business community thanks to his visit as president of the Bank One Co. of Canada. It's unlikely he has any hard and fast course or purpose, he's a pragmatist who wants power first of all. *Allan Fotheringham is a columnist for Sunbeam News.*

ter that he will trim and shift, stroke, massage, reward and punish, his main target is stay in power.

Mulroney has a favorite story involving Bobby Kennedy's failed run for the presidency. Kennedy always travelled with his favorite dog, a huge beaver that took up an inordinate amount of space on his campaign jet. One of Kennedy's entourage was a handsome and debonair New York millionaire who, at every stop, would walk the dog on the terrace at the end of a long beach. At one stop, R.W. Apple Jr., the celebrated New York Times correspondent, approached

ally—he gives it back, even to some aides who should be back on the farm. It's why some of us label him "MacKreoy." He has sent private word to some Ottawa journalists that he has sacrificed one of their targets and they are now lay off, since he won't let them tell their other bosses. His staff has drawn up a "hot list" of some 250 functions appointed by the Liberals who will be first on the chopping block if and when the Progressive Conservatives are elected.

Since he devoted three years ago that he was drinking too much and refused a second try at the leadership,

he has not touched a drop. It is soda water over an every time. He mashes on coffee and packs of de Moutier. The Liberals in the Commons call him Smoke Throat because of his bottom-of-the-cashmere delivery. The star calls him Myron Mulroney. Tory friends call him Muldoon. Old pals from school still call him Bones because at university he was thinner than a rifle. He is still thinner than a rifle.

He is lost without Milla. She is his rock and his balance wheel. They are the only old-style nuclear family at the top of our political heap, Ed Broadbent

divorced and happily remarried, Pierre Trudeau currently going through the country's man-watched divorce, the rats perhaps reflecting accurately the populace as a whole. Milla Pivnicka Mulroney, who goes mad, cracks and pop once in a while, will drink into the Liberal's messily on the ethnic vote.

He is billed as a Montreal businessman, but that was more fill. He is, above all, someone who made his reputation as a labor lawyer, a cure cookie who knew how to oil a deal in a 3 a.m. hotel room over coffee and cigarettes when he felt the two sides in a dispute were ripe. Thus his outrage at the Quebec Marc Lalonde infighting that he, as a lawyer, would be so dumb as to leave some incriminating evidence in a letter to a rival government. Mulroney is too careful for that. He may prove to be too careful, but that's his business. It's back to L.B.J. politics, squeeze and cajole, the carrot and the stick. This is Brian Mulroney, the man who wants to be prime minister. You're welcome.



the dog-walker. "I always thought I got special you," he said. "You're highly successful. You can retire in your 40s. You have a beautiful family and a good reputation. And here you are—walking a dog on a leash." The millionaire Democrat turned to the reporter. "You've got it all wrong. I don't look upon this as a dog. I look upon it as an embassy."

That is Brian Mulroney, roaring at his own window hammer, taking great delight in the role of politics the public never sees. Raised in the seamy backwaters of Quebec politics (and somehow surviving as a lonely Tory) he views patronage, uplift and votes those who grow prim and contented with the same punked attitude that Catholics view an obnoxious Baptist.

He has horrible "rabbid ears." He made everything written about him or his program, never forgets and never forgives. He is like the Kennedys in that if anyone attacks any member of the pack, there is an instant curling of the vagus. It's why he inspires some loy-



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